Telenor Group
Executive Compensation Policy
2025

Introduction from the Chair of the Board

The Board of Directors of Telenor ASA has prepared the following guidelines for the compensation of Group Management. These guidelines, referred to as the “compensation policy”, will be subject to approval at the 2025 Annual General Meeting with an effective date of 1 January 2025.

As the telecommunications industry undergoes significant transformation, it is imperative for the Board to secure that the compensation policy enables Telenor to attract, engage and retain executives with the international experience and perspectives required to execute on the strategic priorities. The policy is designed to ensure that Group Management is incentivised to deliver on Telenor’s long-term interests and contribute to the sustainable growth of Telenor Group.

In accordance with the Norwegian Public Limited Liability Companies Act,section 6-16a and supplementing regulations, the compensation policy will be presented for approval at the Annual General Meeting in the event of any material change and, at a minimum, every four years.

A core principle guiding the Board’s approach is to ensure that the compensation to Group Management is competitive, but not market-leading in the markets Telenor operates, while adhering to the principle of moderation.

It is the Board of Director’s assessment that the compensation policy aligns with Telenor Group’s strategic priorities, supports its long-term interests and sustainability of the company, while upholding expectations from different Telenor Group stakeholders.

Jens Petter Olsen
Chair of the Board, Telenor Group

General Meeting in the event of any material
change and, at a minimum, every four years.

Compensation Policy

Compensation to Corporate Assembly and Board of Directors

The compensation to the Corporate Assembly is resolved by the General Meeting, after proposal to the General Meeting from the Nomination Committee.

The compensation to the Telenor ASA Board of Directors is, in accordance with the Public Limited Liability Act, decided by the Corporate Assembly following a recommendation from the Nomination Committee. The decision of the Corporate Assembly will be made public on Telenor.com on the same day.

Compensation Policy for Group Management

This policy applies to the Telenor Group Management and will be implemented subject to prevailing rules and regulations in the country of employment.

Key principles for executive compensation

Telenor's compensation for Group Management is designed to support achievement of results, the business strategy and long-term interests and sustainability of the company by attracting, engaging, and retaining the right people to create long-term value for Telenor Group and its stakeholders.

The compensation policy and structure contribute to achievement of short-term results, as well as longer term strategic priorities for all business areas and Telenor Group overall. Performance measures for the incentive plans are defined for a set of financial and non-financial strategic priorities with targets that are defined to drive desired results and secure a clear link between the compensation of Group Management, business strategy and company performance.

Furthermore, the compensation policy contributes to long-term interests and sustainability of the company by securing that the levels and structure of compensation reflect local market conditions and company performance over time, as well as includes compensation elements designed specifically to create alignment of interest between Group Management and other stakeholders.

Additionally, the Telenor Behaviours; the key set of expectations of employee conduct and ways of working across all markets in Telenor are reflected in the compensation policy and key compensation elements.

Always Explore: We believe growth comes from learning every day. We're curious and we dare to challenge, test, fail fast and pivot.

Create Together: We believe diverse teams find better solutions. We seek different perspectives, share, involve and help each other succeed.

Keep Promises: We believe that trust is key in all our relationships. We take ownership and pride in delivering with precision and integrity.

Be Respectful: We believe in the unique human ability to understand what matters for people. We meet everyone at eye level, listen and show that we care.

As Telenor is majority-owned (54%) by the Norwegian state, the company aims to follow the Norwegian Government's guidelines for executive compensation. The compensation policy is based on the same principles for compensation that Telenor applies to the executive teams in the majority owned subsidiaries. Local market adaptations apply to secure Telenor's competitiveness and ability to attract critical talents in international markets.

Reward principles

Rewarding performance: Compensation shall be based on a combination of company performance and individual impact as evaluated against objective and transparent criteria. Telenor puts significant emphasis on company results to foster collaboration and joint ownership of strategic priorities.

Supporting holistic & sustainable results: Compensation shall reflect financial results and operational performance, including Telenor Group's strong commitment to Responsible Business Conduct. At an individual level, this implies that both "what" is being delivered and "how" results are achieved shall be considered when making compensation decisions in line with Telenor behaviours.

Offering competitive total compensation: Compensation shall be attractive and competitive, but not market-leading in comparison with relevant local markets.

Compensation structure

The compensation structure consists of fixed and variable compensation elements that together shall provide a competitive compensation to Group Management which contributes to achievement of the business strategy, long-term interests, and sustainability of the Telenor Group. In accordance with the prevailing Norwegian state guidelines, the overall structure is built with an emphasis on base salary. As a balance to cash compensation, the long-term incentive is an important part of the compensation package as it is provided in the form of restricted company shares, to secure alignment of Group Management and shareholder interests.

Excluding benefits, the general compensation package will at the maximum earnings potential have a relative size of base salary at 65%, short-term incentive (STI) 16% and long-term incentive (LTI) 19%. For the President and CEO, the relative size of base pay is 54%, salary substitute 16%, STI 14% and LTI 16%. This gives a cash to shares ratio for Group Management of 81:19 and for President and CEO of 68:32.

The incentive plans have been built so that in combination they target short-term and long-term performance through a selection of financial and non-financial KPIs, and where the total expected outcome of the plans over time harmonize with a competitive total compensation. This implies that all targets relating to the short-term incentive plan are set to motivate maximum achievement of the goals and strategies of the company, whereas for the long-term incentive plan the performance criteria are set as thresholds to be achievable in most years.

In addition, benefits such as pension, insurance and allowances are all important elements ensuring total compensation is aligned with local market practice, regulations, and employment conditions, while also providing a foundation for the financial security and well-being of employees. As such, a holistic view considering total compensation and employment conditions is used when establishing the compensation policy.

When defining the executive compensation policy, the compensation level and employment terms of regular employees are considered to ensure that there is alignment between compensation at different levels in the organisation. Both the different elements of compensation and the total compensation are taken into consideration. For the annual salary review process, the same salary settlement/ salary review budget by country or location is typically applied to Group Management and regular employees.

Compensation element	Key objective	Level / annual earnings potential	Performance evaluation
Base salary	To serve as the foundation for competitive, but not market-leading, total compensation	Main compensation element reflecting scope of role and the executive's experience and business impact in line with Telenor behaviours	Reviewed annually and adjusted as needed to reflect the executive's relative pay and business impact in line with Telenor behaviours
Salary substitute (restricted shares)	To ensure competitive and sustainable total compensation, and alignment with shareholder interests	Maximum 30% of annual base salary Used in particular cases, not part of general compensation package	Not applicable
Short-term incentive (STI)	To provide direction and motivation to deliver high performance in line with strategic ambitions and Telenor behaviours	Maximum 25% of annual base salary	Achievement of set annual performance measures, using a balanced scorecard focusing on group-wide priorities related to financial, operational and sustainable business performance
Long-term incentive (LTI)	To align Group Management and shareholder interests, contribute to long-term value creation and retain key leaders and experts	Maximum 30% of annual base salary	Achievement of defined performance thresholds based on generation of free cash flow for Telenor Group and relative Total Shareholder Return (Telenor ASA) compared to the STOXX 600 Telecommunications index
Pension and insurance	To provide security and support in different life situations	See separate sections	Not applicable
Other terms of employment	To ensure competitive compensation and meet the specific demands of a given temporary or permanent situation	See separate sections	Not applicable

Base salary

Base salary is the main element of compensation to members of Group Management, and competitive base salary levels are critical for attracting and retaining people who are skilled and motivated to deliver results and long-term value creation for Telenor Group and its stakeholders.

Base salaries are set and adjusted based on the local market and business context, the scope of the role and responsibilities, and the individual's experience and competence level relevant to the role. On a regular basis, Telenor participates in salary surveys and conducts compensation benchmarking to ensure that salary levels are competitive but not market-leading and in line with local market practice.

To secure moderation in its pay setting practices, Telenor targets the median level when benchmarking compensation and setting salary levels. In addition, the union negotiated salary settlement or defined salary budget (percentage increase) are typically also applied for the executives and the average employee adjustment (nominal amount) is used as a reference point.

Salaries are reviewed on an annual basis, taking the following key considerations into account:

- Business performance and local market economic indicators
- Salary level relative to the local market (ref. benchmarking)
- The individual's impact on the business: "what" and "how" in line with Telenor Behaviours

Salary substitute

The salary substitute ensures that in particular situations, Telenor can secure competitive and sustainable levels of total compensation, and a stronger alignment with shareholder interests by substituting salary for restricted company shares.

The substitute is a fixed element of up to maximum 30% of base salary which is reserved for share purchase. It can be offered in particular cases to attract specific competence or candidates to Telenor and does not form part of the general compensation package to all executives. This element is not included in the basis for variable pay such as STI and LTI, nor in holiday pay or pensionable earnings. The substitute is accrued in monthly instalments and the net after-tax amount is invested in Telenor shares up to four times each year.

These shares are locked for the length of the executive's tenure in Group Management. As this is a fixed and not variable part of compensation, there is no claw back provision in cases of misconduct.

Short-term incentive

The short-term incentive (STI) is designed to motivate the Group Management to drive annual results across key areas of the business in accordance with Telenor Behaviours and the long-term direction of the company. The STI is a cash-based plan where the maximum annual earning is 25% of annual base salary for the Group Management, in accordance with the guidelines for companies with Norwegian state ownership.

Telenor Group places great emphasis on collaboration and joint ownership for performance and apply a set of common key performance indicators (KPIs) for Group Management. Hence, as a key principle, members of Group Management are measured on and rewarded for group-wide results, and executives also holding Business Area responsibilities are measured on a combination of Group and Business Area results to reflect the scope of their role.

The STI is based on business results as measured against a balanced scorecard with key performance indicators. The financial KPIs measure key economic value drivers such as revenues, profits, cash flow and return while the non-financial KPIs are tied to areas of operational and sustainable business performance in line with the strategic priorities of Telenor Group. The combined set of KPIs form the Telenor Group STI scorecard and will typically consist of four to six KPIs, the financial KPIs with minimum 50% weighting in addition non-financial KPIs within areas such as customer, operations and sustainability.

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The STI scorecard is defined and concluded during the company's annual strategy process and presented in the compensation report for the actual year. The target levels for each KPI are set to motivate maximum achievement of the goals and strategies of the company with target pay-out at 17.5% of base salary. The targets are presented in the compensation report together with the results achieved each year.

Sustainable business performance including Environmental, Social and Governance (ESG) aspects are of high importance to the STI plan and have been key to the core plan design for many years. The focus on sustainable business performance will continue to develop in the years to come, and in line with the strategic importance, Telenor continues to set ESG related KPIs.

The KPIs are reviewed on a regular basis as part of the group-wide strategy process and targets are set to deliver against the ambitions for the coming year. The Board is involved throughout the strategy process and approves the Group KPIs and targets as a final step. A key objective of the STI plan is to drive short-term performance and the Board will ensure that adjustments are made when necessary to reflect prevailing business context and strategic priorities. Potential minor adjustments or additions to KPIs and/ or weighting are considered non-material and hence, not subject to approval by the Annual General Meeting.

As a reference, the 2025 Telenor Group STI Scorecard is appended on page 8.

The STI achievement is determined by measuring results achieved against the set targets for the year and presented for the Board's approval. As part of the final review, a discretionary assessment can be made by the Board to ensure that the final STI outcome represents Telenor Group's overall business performance.

Long-term incentive

The long-term incentive (LTI) is designed to align the interests of the Group Management and shareholders, contribute to long-term value creation, and retain leaders across the Telenor Group. Dependent on Telenor Group performance, the President and CEO and Group Management can, on an annual basis, receive a maximum LTI grant of 30% of their annual base salary. Telenor will, on behalf of the participants, invest the after-tax amount in Telenor ASA shares.

LTI grants are contingent upon Telenor Group's financial performance measured over a two-year period prior to the grant year. Telenor Group will apply relevant measures that drive long-term business results and value creation for Telenor Group and shareholders. Telenor aims to maintain performance measures and target levels over time, provided these are supporting the long-term business objectives and sustainability of the company.

The performance criteria relating to the LTI are set as minimum thresholds with the intention of issuing grants in most years to fulfil the purpose of aligning interests between Group Management and shareholders, for retention and to contribute to an overall competitive total compensation. The Board may adjust the thresholds to reflect major changes in the Telenor Group structure or effects from significant extraordinary items.

As an example, the 2027 LTI plan has the following binary performance measures (50:50 weighting), with a performance period from 1 January 2025 to 31 December 2026:

- **Free Cash Flow before M&A:** Threshold NOK 8 billion, yearly average over the performance period.
- **Total Shareholder Return** relative to the European telecommunications market (STOXX Europe 600 Telecommunications, SXKGR): Threshold -5% of index.

In addition to the two-year performance period, the shares will be subject to three years lock-in from the year of grant, hence, the LTI plan spans over a period of five years in total. Granted shares are released for disposal provided the Group Management member is still employed by Telenor Group at the end of the lock-in period. Should a member of Group Management resign from Telenor before the end of the lock-in period, the shares are forfeited and returned to Telenor. However, in cases where employment is terminated due to retirement, disability or death, the employee may be granted rights to retain locked LTI shares.

In cases where Telenor offers a sign-on compensation or other one-time compensation in the form of shares, this compensation will come in addition to the LTI grant for the relevant year. The additional share grant will follow the standard terms of the LTI plan but will not be contingent upon the performance measures that applies for the ordinary grants.

Telenor Group does not offer share option plans to Group Management. Telenor may however decide to implement different incentive plans, other than the ones applicable to Group Management, for particular companies due to their special market circumstances.

Pension

Pension terms vary for members of Group Management, as they are employed in different markets on both local and expatriate terms. The compensation report provides an overview of any pension entitlements beyond the general collective pension plans.

Since 2006, new members of Group Management employed in Norway and hired externally have been enrolled in the collective defined contribution scheme for employees in Norway. In this plan, pensionable earnings are capped at 12 G, where G is the basic amount of the Norwegian national insurance scheme. The pension contribution is 5% of pensionable earnings between 0 G and 7.1 G and 18% between 7.1 G and 12 G.
Collective pension agreements predating 2006 have been honoured for Group Management members in accordance with the Telenor Group policy. In addition, the pension plan covering earnings above 12G was closed for new entrants in 2012 and effective 2017 any such agreements are discontinued for internal promotions into Group Management. Any individual pension plan agreements were issued in accordance with prevailing regulations at the time.

The retirement age for all employees in Norway, including Group Management, is 70. Some members of Group Management are entitled to retire earlier, according to individual agreements. Please see the table Individual Terms in the compensation report for the relevant year.

The pension plans for Group Management members employed outside of Norway are in accordance with legislation and practice in the respective markets. Employees on international assignments will normally remain in their home country pension plan, alternatively, they will be enrolled in a host country plan, or an allowance will be provided in lieu.

Benefits

The President and CEO and Group Management are entitled to benefits, in accordance with local policies and country specific practices. These benefits can be permanent or temporary in nature. Normally, such benefits are not included in pensionable earnings or the annual salary review. Please refer to the compensation report for details.

Other terms of employment

Employment contracts and notice

Employment contracts for Group Management are permanent employment contracts, normally with a six month notice period. Telenor Group actively rotates leaders to drive business performance and foster a strong culture across markets, as well as to develop the leadership skills required now and in the future.

Shareholding requirement

The President and CEO and Group Management should as a minimum hold shares in Telenor ASA equivalent to the value of one annual base salary. Members of Group Management are required to invest up to 20% of their net short-term incentive payment in Telenor ASA shares over time until this requirement is met.

External hiring

When members of Group Management are recruited externally, the company may offer sign-on compensation at a reasonable level for forfeited incentive opportunities and/ or other material compensation changes as result of recruitment to Telenor. The compensation will consider the vehicle, expected value and timing of forfeited awards and preferably be offered in company shares, alternatively in cash with a claw back period in case of voluntary notice. Sign-on compensation will only be applied in special situations with the aim to attract critical competence and achieve sustainable levels of total compensation.

Appointments resulting from M&A

When executives are transferred into Group Management due to a merger or acquisition, the company may offer compensation at a reasonable level for forfeited incentive opportunities and/ or other material compensation changes as result of the transfer to Telenor. The company may allow continuation of current earnings potential that is higher than Telenor's policy for a transitional period, normally up to a maximum of two years.

Relocation & Commuting

In cases where members of Group Management are hired from a different country and required to relocate for the employment with Telenor, the company can cover reasonable costs related to the relocation of the executive and their family to ease the transition and settling into a new country. Normally costs will be covered for items such as housing and school for a period of up to one year. Employees transferring from other Telenor companies may be offered compensation for transition to a different holiday pay system the first year of employment.

Group Management members located in commuting distance from Telenor's headquarters, may be eligible for commuter status and expense coverage for housing and travel. If the commuter expenses are subject to taxation, these will be included in the compensation report for the relevant year.

Mobility

A mobile and dynamic workforce is important to Telenor. The global mobility policy is employed to cater for situations where employees are temporarily working from another country than their home country. International assignments are normally time bound to maximum 5 years duration in one country, after which employees can take on a new international assignment or local employment in any of the companies in the Telenor Group. Compensation and other terms related to international assignments are set based on the global mobility policy applicable to all international assignees, including Group Management.

Retention

Retention bonuses can be used in cases where critical employees' retention is of importance to Telenor, typically in situations of restructuring or reorganisation. Group Management may be eligible for a retention payment for agreements issued prior to appointment to Group Management, or at the transition from another company into Telenor.

Severance

The President and CEO and Group Management are entitled to severance pay equal to six months of their annual base salary from the expiry of the notice period. Any entitlement to severance pay is conditional upon the executive waiving their employee protection rights under local law and is applied in situations where the resignation is requested by the company. In extraordinary situations, it may also be applied to facilitate an agreement to discontinue the employment, where the member of Group Management gives notice pursuant to a written agreement with the company. An executive's own resignation will not trigger severance payment, and the severance payment is also forfeited in cases of summary dismissal from the company.
The executive may be paid the short-term incentive earned prior to the notice period, and company shares held as part of active long-term incentive plans may be released at the end of the lock-in period. Further, subject to local law, the company will reduce severance payments corresponding to other income earned during the severance period except for Board engagements approved by the company at the time of termination.

Incentive claw back

Telenor Group has claw back provisions in the terms and conditions for both the short-term and long-term incentive plans. If Telenor's financial statements are subject to restatement due to error or misconduct, Telenor can claim reimbursement of excess compensation paid under the STI or LTI plans which was based upon the wrong data. If a breach of the Telenor Group Code of Conduct, and/ or other company policies or standards, or local law and regulations is observed, the incentive payment may be reduced, forfeited or reimbursement may be claimed.

Compensation governance

In accordance with the Norwegian Public Limited Liability Companies Act, the Board of Directors prepares guidelines for Group Management's compensation and presents the guidelines whenever there is a material change and at least every fourth year, to the Annual General Meeting for approval.

People and Compensation Committee

The Board has appointed a preparatory committee to assist the Board in its work with executive compensation. The committee prepares compensation matters for review and approval by the Board of Directors and does not have independent decision-making authority. Hence, the work of the committee does not alter the responsibilities of the Board of Directors. The main tasks and responsibilities of the committee are executive compensation, strategic human capital management, diversity, and culture development.

Potential deviations from the policy

The Board of Directors may decide to deviate from the compensation policy in exceptional circumstances where the deviation is required to serve the long-term interests and sustainability of the Telenor Group. Requests for deviations are raised to the Board of Directors for consideration and decision. Any changes or exceptions relating to the P&CEO are subject to Board approval. Any changes or exceptions for other members of Group Management, are reviewed by the Board or the People and Compensation Committee and approved by the P&CEO.

Any deviations will be reported by the Board of Directors to the Annual General Meeting by disclosing and explaining the deviation in the compensation report.

Changes to the compensation policy

The following changes have been made since the previous compensation policy, approved by the Annual General Meeting on 10 May 2023:

- A new compensation element, the salary substitute, has been introduced with effect from 1 January 2025, to be exercised on a needs basis by the Board.
- Commuter expenses has been included under the section Relocation.
- The Employee Share Purchase plan has been removed since the executives are no longer eligible for the ESP bonus. Should they chose to participate, they will still benefit from the minor discount of NOK 2 000.
- People and Governance Committee was renamed to the People and Compensation Committee in 2023
- Shareholder feedback has been considered when developing the updated policy.

Appendix:
2025 Telenor Group STI Scorecard

2025 KPIs	Descriptions		Weights
Free Cash Flow before M&A	Telenor's overall financial ambition is to create shareholder value through cash flow generation, while maintaining a solid balance sheet and providing attractive shareholder remuneration. The target levels for each of the financial KPIs are set to support this. The ambition is based on the following key value drivers:	Free cash flow generation through EBITDA growth and prudent capital allocation, supporting shareholder remuneration.	30%
Organic EBITDA growth		EBITDA reflects progress on our modernisation and efficiency agenda and measures how profitable our revenue growth is.	20%
Technology Enablement & Execution	Technology is at the heart of our business in Telenor, and these ambitions are key for delivering excellent customer experience and strengthening the business performance. This measure is aimed to accelerate the speed and impact of prioritized technology initiatives in Telenor. The ambitions for 2025 are based on a combination of initiatives around cloud adoption, IT modernization, IoT growth and improving business processes with automation.		20%
Engagement & Enablement	People are the heart of Telenor, and highly engaged, winning teams are the key to delivering a great customer experience, growth, and long-term value for stakeholders. Engagement & Enablement measures key dimensions that drive workforce effectiveness and business performance across all teams and markets and serves as a foundation for systematic work on organisational development and improvement. Telenor holds an ambition level that centres on sustaining or growing these results depending on each local market context.		15%
Climate	At the core of Telenor's priorities lies its commitment to minimizing its carbon and emission footprint, making it vital for the company due to its focus on tackling the largest contributing area to our environmental impact. 80% of Telenor's emissions are scope 3 emissions and almost 75% of scope 3 emissions are from purchased goods and services. The Climate Scope 3 KPI addresses this dominant source for carbon emissions and directly reflects Telenor's public science-based Scope 3 engagement target that has been validated and approved by SBTi.		15%

Plan qualifier: Annual commitment to Telenor's Code of Conduct is expected by all employees and is followed-up via a mandatory eLearning. Achievement below 100% will annul the STI plan.