

Notice of the Annual General Meeting 2023 of Napatech A/S

The Board of Directors gives notice of the Annual General Meeting (AGM) of Napatech A/S, company registration (CVR) no. 10 10 91 24 (the "Company"), to be held

on Thursday, April 27, 2023, at 10:00 CET

at the registered office of Napatech A/S, Tobaksvejen 23A, Soeborg, Denmark.

Agenda:

1. The Board of Directors' report on the activities of the Company
2. Presentation and adoption of the 2022 Annual Report
3. Distribution of profit or covering of loss according to the adopted annual report
4. Presentation of and advisory vote regarding the Remuneration Report
5. Approval of the Company's revised Remuneration Policy
6. Election of members to the Nomination Committee
7. Approval of remuneration to the members of the Nomination Committee
8. Election of members to the Board of Directors, including the Chairman
9. Proposal to amend the authorization in section 7.8 of the articles of association to issue share options to members of the Board of Directors by extending the period of the authorization to 31 March 2024 and increasing the number of share options by nom. DKK 10,000
10. Approval of the Board of Directors' remuneration
11. Appointment of Auditors
12. Approval of authorization to the Board of Directors to issue new shares for up to a total of nominal DKK 2,077,380.00 shares
13. Proposal from the Board of Directors to authorize the Board of Directors to acquire the Company's own shares in one or more transactions for up to a total nominal amount of DKK 150,000.00 shares and against a fee that cannot deviate by more than 10% from the trading price at the Oslo Stock Exchange at the time of acquisition and at the same time cancel a prior authorization from 2022 to acquire the Company's own shares
14. Any other business

Complete proposals

Re. 1. The Board of Directors report on the activities of the Company

The Board of Directors proposes that the general meeting take note of the Board of Directors' report on the Company's activities in the past financial year.

Re. 2. Presentation and adoption of the Annual Report 2022

The Board of Directors proposes that the general meeting adopts the audited Annual Report 2022.

The report is available on the website of the Company, www.napatech.com, or at www.news-web.no under the Ticker: NAPA, from March 24, 2023.

Re. 3. Distribution of profit or loss recorded in the annual report

The Board of Directors proposes that no dividend is paid out for the year 2022 and that the profit is carried forward.

Re. 4. Presentation of and advisory vote regarding the Remuneration Report

The Company has prepared a remuneration report covering the financial year 2022, which is available on the Company's website, www.napatech.com. The Remuneration Report has been prepared in accordance with applicable rules and regulations and is presented to the Annual General Meeting for an advisory vote.

The Board of Directors proposes that the Annual General Meeting approves the Company's 2022 Remuneration Report in the advisory vote.

Re. 5. Approval of the Company's revised Remuneration Policy

As there are changes to the remuneration that may be considered material, the Board of Directors proposes that the general meeting approves the Company's revised Remuneration Policy as adopted by the Board of Directors.

Revisions are only made in section 3 of the Remuneration Policy, cf. also item 10 of the Agenda.

In section 3.4, the yearly fee to the Chairman has been changed from 350,000 NOK to 700,000 NOK.

The revised Remuneration Policy is attached as [Appendix A](#) and is available on the Company's website, www.napatech.com.

Re. 6. Election of members to the Nomination Committee

The Nomination Committee was established by the general assembly in 2015 as proposed by the Board of Directors. The Nomination Committee members are elected for a term of two years, and the present members were elected at the Annual General Meeting on 26 April 2021.

The present Nomination Committee consists of Mr Nils Foldal (Chairman) and Mr Håvard Nilsson (Member). It is proposed that Mr Nils A. Foldal is re-elected as Chairman and Mr Håvard Nilsson is re-elected as Member.

Nils A. Foldal for re-election as Chairman:

Nils Foldal is the CEO of Manara AS, a privately held Norwegian investment company that invests in both listed and unlisted securities. Nils was previously CEO of Ludvig Lorentzen AS, Investment Director at Awilhelmsen Capital AS, Managing Director of K-Aktiv Forvaltning AS (today Nordea Investment Management), CEO at DnBInvestor AS, Investment Director at StorebrandAsset Management and Pluss Fondene. Nils has extensive board experience and has been represented in several nomination committees of listed companies. Nils has a Master of Science and is a graduate of the Norwegian School of Business Management (NHH).

Håvard Nilsson Member for election as Member:

Håvard Nilsson is an Investment manager at Sundt AS with a specialty in technology hardware and software. Prior to this, he held strategy, investment, and capital markets advisory roles with a UK-based family office and several International technology and media start-up and growth companies following 5 years in the role as a Senior Technology, Media, and Telecom equity analyst with Carnegie Investment Bank. Håvard has a Bachelor's Degree in Banking and Finance from the Norwegian School of Business ("BI") and was born in 1990. He is a Norwegian citizen and resides in Oslo.

Re. 7. Approval of remuneration to the members of the Nomination Committee

The Board presents a motion for approval of remuneration to the members of the Nomination Committee.

The Board proposes that the General Meeting makes the following resolution:

The General Meeting approves the following fees to the members of the Nomination Committee starting from this Annual General Meeting: The Chairman of the committee receives NOK 60,000, and other members receive NOK 20,000 each annually. The fee is to be paid on a monthly basis.

Re. 8. Election of members of the Board of Directors, including the Chairman

In accordance with Articles 16.1 and 16.4 of the Articles of Association, the Board of Directors of Napatech consists of 4-8 members elected by the general meeting for a period of one year.

The present Board of Directors consists of Lars Boilesen (Chairman), Christian Jebsen (Member), Howard Bubb (Member), and Thomas Bonnerup (Member).

It is proposed by the Nomination Committee that Lars Boilesen (Chairman), Christian Jebsen (Member), Howard Bubb (Member), and Thomas Bonnerud (Member) are re-elected and that Beth Topolovsky and Danny Lobo are elected as new members of the Board of Directors.

A description of the background and other executive functions held by the candidates proposed to the Board of Directors is attached as [Appendix B](#).

Re. 9. Proposal to amend the authorization in section 7.8 of the articles of association to issue share options to members of the Board of Directors by extending the period of the authorization to 31 March 2024 and increasing the number of share options by nom. DKK 10,000

The Board of Directors proposes to amend the authorization in section 7.8 of the articles of association to issue share options to members of the Board of Directors by extending the period of the authorization to 31 March 2024 and increasing the number of share options by nom. DKK 10,000.

The options shall be awarded to members of the Board of Directors within the Napatech Group to serve as a force in providing remuneration and incentives to members of the Board of Directors.

If the proposal is adopted, section 7.8 of the Articles of Association will be amended as follows (amendments are underscored):

"7. Share Options.

(...)

7.8 Authorization to issue share options to members of the Board of Directors

At the ordinary general meetings in the Company held on 26 April 2023 and on 27 April 2023, it was decided to authorize the Board of Directors, until 31 March 2024, to issue share options with the right to subscribe for up to nominally DKK 120,000.00 shares in the Company.

The options issued shall be subject to the following terms and conditions:

The options shall be awarded to members of the Board of Directors of the Company in accordance with the approved remuneration policy of the Company.

The share options - and the shares in the Company subscribed for on the basis of the share options - shall be issued/subscribed for without the Company's shareholders having any pre-emption rights.

The options shall confer a right to subscribe for new shares of up to nominally DKK 120,000.00 in the Company belonging to the same share class as the existing shares in the Company.

The strike price shall not be less than DKK 0.25 per nom. DKK 0.25 share.

Instead of issuing new shares, the Board of Directors may elect to sell secondary shares to the option holders at the same price. Alternatively, the Board of Directors has the right to pay out a cash amount equivalent to the difference between the strike price and the trading price at the close of business at the OSE of the Napatech share on the date of exercise, multiplied by the number of shares to be issued.

Except in cases of payment of the difference of the strike price and the trading price, the exercise price (strike price) must be transferred in full and in cash.

If an option or any portion thereof (i) expires or otherwise terminates without all of the shares covered by such option having been issued or (ii) is settled in cash (i.e., the option holder receives cash rather than shares), the shares covered by the option reverts to the pool of nom. DKK 120,000.00 shares and again become available for issuance, meaning that such expiration, termination, or settlement will not reduce (or otherwise offset) the number of shares that may be available for issuance under the authorization. If any shares issued pursuant to an option are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required to vest such shares in the option holder, then the shares that are forfeited or repurchased will revert to and again become available for issuance under this authorization.

The shares subscribed for on the basis of the options shall be negotiable instruments. The shares shall be registered in the name of the holder and shall be recorded in the Company's register of shareholders.

No shareholder shall be under any special obligation to let their shares be redeemed, in whole or in part, by the Company or anyone else.

For the fulfilment of the options, the Board of Directors has been authorized to increase the Company's share capital by up to nominally DKK 120,000.00 shares in the Company and to make the consequential amendments of the articles of association.

If the proposal is adopted, the Board of Directors expects to use the authorization to issue share options to members of the Board of Directors in the Company in accordance with the approved remuneration policy and on the terms and conditions appearing from the Share Option Program 2022 for the Board of Directors (Appendix 13 to the current articles of association) with relevant amendments in respect of timing and the amount of options.

Re. 10. Approval of the Board of Directors' remuneration

The purpose of the remuneration structure for the Board is to be able to attract and retain board members with the desired competencies. In determining the levels, board fees in comparable companies are also considered.

- The board members receive a yearly fee of 350,000 NOK.
- The Chairman receives a yearly fee of 700,000 NOK.
- In addition, Lars Boilesen will receive an extraordinary fee as executive chairman of 1,000,000 NOK. He will, as soon as a permanent CEO is hired, step down as executive chairman.
- In addition, each sub-committee member receives an additional remuneration of a yearly fee of 28,500 NOK per sub-committee membership paid monthly (e.g. per audit committee, remuneration committee, etc.).

Provided the proposal in Item 9 of the Agenda is approved, the Nomination Committee and Board of Directors proposes that the fees can be paid in share options instead of in cash, with the following number of share options being granted:

- The board members are granted 35,585 warrants (each with the right to subscribe for nom. DKK 0.25 share against payment of 0.25 DKK) instead of the yearly fee of 350,000 NOK.
- The Chairperson is granted 71,171 warrants (each with the right to subscribe for nom. DKK 0.25 share against payment of 0.25 DKK) instead of the yearly fee of 700,000 NOK.
- Each sub-committee member is granted 2,897 warrants (each with the right to subscribe for nom. DKK 0.25 share against payment of 0.25 DKK) in additional remuneration instead of the yearly fee of 28,500 NOK per sub-committee membership (e.g., per audit committee, etc.).

The number of warrants is based on the fixed fees described above and the difference between the average closing trading price of NOK 10.23 on the Oslo Stock Exchange in Week 11, 2023 and the strike price for the warrant of DKK 0.25 (~NOK 0.40 pursuant to the official exchange

rate of Norwegian kroner on March 22 published by Danmarks Nationalbank).¹ In this respect, the Company has not applied the Black-Scholes model.

The share-based remuneration is intended to reinforce the alignment of interest between shareholders and the Board of Directors.

Re. 11. Appointment of Auditors

The Board of Directors proposes that Ernst & Young P/S, CVR.nr: 30 70 02 28, is re-elected as auditors in accordance with the recommendation from the Audit Committee. The Audit Committee has not been influenced by third parties nor subjected to any contract with a third party restricting the general meeting's choice to certain auditors or audit firms.

Re. 12. Authorization to issue a share capital increase of up to nominal DKK 2,077,380.00 shares

The Board of Directors makes a similar proposal as the previous year for authorization for a possible targeted capital increase. The authorization will supplant the previous expired authorizations in article 5.2 of the Articles of Association of Napatech A/S.

The Board of Directors will use this authorization, (a) if additional investments are needed in the future, (b) if a situation should occur in which it would be beneficial to execute share capital increases with one or more strategic partners, or (c) to complete a merger or acquisition using shares or cash. Additionally, a situation could arise in which it would be beneficial to strengthen the Company's equity. To enable the Company to act quickly, the Board asks the Annual General Meeting to give the Board a power of attorney to increase the Company's share capital by up to nominal DKK 2,077,380.00, in one or more capital increases to named investors chosen by the Board. Such capital increases shall be executed, as determined by the Board of Directors, at market value and by either cash contribution or contribution of other assets than cash.

The authorization will be without pre-emption right for the existing shareholders. This is to allow the Board of Directors to make efficient use of the authorization. The fact that capital increase will be done at market value helps ensure that existing shareholders will not suffer economic loss in connection with the use of the authorization.

If the proposal is adopted, the following new provision shall be included in the Articles of Association instead of the expired articles 5.2:

5. Capital Increase

(...)

5.2

In the period until the annual ordinary general meeting in 2024, the Board of Directors is authorized to increase the share capital one or more times without the right of pre-emption for the existing shareholders and up to a total nominal amount of DKK 2,077,380.00.

The increase in share capital shall as determined by the Board of Directors, be at market value and by either cash contribution or contribution of other assets than cash. Contribution cannot be made in part.

¹ As illustration: 35,585 warrants x [NOK 10.23 – NOK 0.40] = ~NOK 350,000.

In connection with an increase in share capital, the following shall also apply: (i) the shares shall be registered in the name of the holder and shall be entered in the company's register of shareholders, (ii) the shares are negotiable instruments, (iii) the articles of association's provisions on shares, including the pre-emptive right in Clause 5.1 and with regard to redemption and transferability, shall apply for the new shares, and thereby no new class of shares is created, and (iv) the new shares will have rights to dividend and other rights from the date of registration of the capital increase.

The Board of Directors is authorized to determine additional terms in connection with the capital increase and perform the amendments to the articles of association necessary to carry out the capital increase.

Re. 13. Proposal from the Board of Directors to authorize the Board of Directors to acquire the Company's own shares in one or more transactions for up to a total nominal amount of DKK 150,000.00 shares and against a fee that cannot deviate by more than 10% from the trading price at the Oslo Stock Exchange at the time of acquisition and at the same time cancel a prior authorization from 2022 to acquire the Company's own shares.

In order to fully utilize the Company's various Share Option and Incentive Programs and to provide the Board of Directors with the possibility to otherwise acquire the Company's own shares when deemed in the interest of the Company, the Board of Directors proposes to authorize the Board of Directors until 26 April 2027 to acquire the Company's own shares in one or more transactions for up to a total nominal amount of DKK 150,000.00 shares and against a fee that cannot deviate by more than 10% from the trading price at the Oslo Stock Exchange at the time of acquisition and at the same time cancel a prior authorization from 2019 to acquire the Company's own shares. The minimum amount and maximum amount paid per share of nominally DKK 0.25 shall be DKK 0 and DKK 15, respectively.

If the proposal is adopted, the following new provision shall be included in the Articles of Association:

At an ordinary general meeting in the Company held on 27 April 2023, it was decided to authorize the Board of Directors, before 26 April 2027, to acquire the Company's own shares in one or more transactions for up to a total nominal amount of DKK 150,000.00 shares and against a fee that cannot deviate by more than 10% from the trading price at the Oslo Stock Exchange at the time of acquisition. The minimum amount and maximum amount paid per share of nominally DKK 0.25 shall be DKK 0 and DKK 15, respectively.

The authorization will supplant the existing and partly exercised authorization for the acquisition of the Company's own shares in section 4.6 of the Company's current articles of association.

Re. 14. Any other business

It will be possible to ask questions to the Board of Directors on any issue relating to the Company pursuant to the Danish Corporate Act article 102.

Additional information:

For participation in the AGM, please obtain an access card which can be ordered from DNB Bank ASA, vote@dnb.no. Access cards need to be ordered no later than 21 April 2023.

Access cards will be sent by ordinary mail by DNB Bank ASA. Napatech is not accountable for delays in connection with this service. We recommend that access cards are ordered with sufficient time for ordinary mail service.

The shares of the Company and the right to vote for shares.

As of this notice, Napatech has a share capital of nominal DKK 20,773,804.50. Each share of nominal DKK 0.25 carries one vote at the AGM.

Voting rights can only be exercised by shareholders or their proxy. To exercise the voting right on a share, the share must be registered by the registration date, which is 19 April 2023, by name in Napatech A/S's shareholder register, or documented at the latest by 19 April 2023 for registration in the shareholder register.

Adoption requirements.

For the adoption of proposals, where changes in the Articles of Associations are required (meaning agenda items 9, 12, and 13), at least 2/3 of the votes cast and the share capital represented at the AGM needs to vote in favour. For the adoption of all other proposals on the Agenda, a simple majority of votes is needed.

Postal vote.

Shareholders, who are qualified to participate in the AGM, may vote by postal vote prior to the AGM.

Postal votes must be received by DNB Bank ASA no later than 21 April 2023. Once a vote has been received by DNB Bank ASA, it is binding and cannot be revoked.

The shareholders shall return their voting instructions to DNB Bank ASA by e-mail: vote@dnb.no or by ordinary mail to P.O. Box address: DNB Bank ASA, Registrars Department, P.O. Box 1600 Sentrum, 0021 Oslo, Norway, or by hand to DNB Bank ASA, Dronning Eufemias gate 30, 0191 Oslo, Norway.

To ensure proper identification, the shareholder shall put his/her name in capital letters and sign by the shareholder. If the shareholder is a legal entity, the company registration number or similar identification shall be noted.

The form to be used for a postal vote is attached to the notice and is available on the website of the Company, www.napatech.com.

Proxy and counsel.

Shareholders have the right to attend the AGM by proxy. The proxy form will be sent to the shareholder by DNB Bank ASA and is available on the website of the Company, www.napatech.com.

The proxy can be sent by e-mail to vote@dnb.no or by ordinary mail to P.O. Box address: DNB Bank ASA, Registrars Department, P.O. Box 1600 Sentrum, 0021 Oslo, Norway or by hand to

DNB Bank ASA, Dronning Eufemias gate 30, 0191 Oslo, Norway. The Proxy must be received by DNB Bank ASA no later than 21 April 2023.

Shareholders or proxy holders may attend the AGM with an advisor.

Questions.

Shareholders can prior to the AGM, ask questions to the agenda or to the documents to be used at the AGM. Such questions must be received by the Board of Directors no later than 19 April 2023. Questions can be sent to Napatech A/S, att.: The Board of Directors, Tobaksvejen 23 A, 2860 Søborg, Denmark.

Documentation.

Until and including the day of the annual general meeting the notice for the AGM, the full text of any proposals and appendices, the Annual Report 2022, information on shares, voting rights on the date of the notice, remuneration report, and other documents will be available on the website of the Company, www.napatech.com.

For more information, please contact:

Heine Thorsgaard, CFO
E-mail: htg@napatech.com

Appendix A

REMUNERATION POLICY OF NAPATECH AS

1 INTRODUCTION

1.1 The following sets out the remuneration policy of Napatech A/S for members of the Board of Directors and the Executive Management and incorporates guidelines for incentive-pay under section 139 and 139a of the Danish Companies Act. The Executive Management includes all executives registered with the Danish Business Authority.

1.2 The overall objectives of Napatech A/S' remuneration policy are:

- To attract, motivate and retain qualified members of the Board of Directors and Executive Management,
- To ensure the correlation between management interests and the interests of the company and shareholders, and
- To help promote long-term value creation in the company and thus support the company's business strategy and sustainability.

1.3 The remuneration policy aims at reflecting the overall interests of the shareholders and the Company. The remuneration is designed to align the interests of the management with those of the shareholders as well as to promote and support Napatech's short- and long-term vision. It is the intent that the remuneration is in line with comparable companies, whilst also taking into consideration required competencies and efforts.

1.4 The principles for remuneration evolve over time to align with Napatech's strategy, market practice, and shareholders' views to ensure that a consistent and competitive structure is achieved. The remuneration principles set out herein are reviewed regularly to ensure continued competitiveness.

2 DECISION-MAKING PROCESS

2.1 The company's remuneration committee is tasked with assisting the Board of Directors in preparing and revising the remuneration policy. The remuneration policy must be reviewed by the remuneration committee at least once a year.

2.2 If the remuneration committee finds a need to revise the remuneration policy, the remuneration committee prepares a recommendation for consideration and approval by the board of directors. If the Board of Directors approves the recommendation, the revised remuneration policy is submitted to the shareholders for consideration and approval at the company's forthcoming general meeting.

- 2.3 The Remuneration Committee may consult the Executive Management when reviewing the remuneration policy, but the Executive Management has no decision-making power in relation to the remuneration policy.
- 2.4 As the remuneration of the Board of Directors is based on a fixed fee-approach (allowing for both a fixed amount in cash funds and/or a fixed amount of share options with a fixed exercise price), which is approved by the general meeting, there is no or limited risk of conflicts of interest in connection with the board's work on the remuneration policy.
- 2.5 The Board of Directors may, in special cases where it is necessary to protect the company's long-term interests, derogate from the upper limit for the payment of cash bonus to a member of the Executive Board. This may be, for example, in connection with the hiring of new members of the Executive Board or in special circumstances. In order to depart from the remuneration policy on this point, a recommendation from the remuneration committee must be available and the board must approve the recommendation. The Board of Directors' decision to deviate is in accordance with the Companies Act.
- 2.6 The Board of Directors may, in special cases where deemed necessary to safeguard the company's long-term interests, change the relative portion of pension payments. In such cases, for example, it will be possible to offer a new member of the Executive Board a pension scheme where the company pays up to 20% of the member's fixed basic salary. In order to depart from the remuneration policy on this point, a recommendation from the remuneration committee must be available and the board must approve the recommendation. The pension scheme will be able to run until the next general meeting, where the general meeting has the opportunity to decide whether the scheme should be made permanent.
- 3 REMUNERATION OF THE BOARD OF DIRECTORS AND COMMITTEES
- 3.1 The purpose of the remuneration structure for the Board is to be able to attract and retain board members with the desired competencies. In determining the levels, board fees in comparable companies are also considered.
- 3.2 Members of the Board of Directors receive a fixed annual base fee. The fee level is assessed each year taking into account market levels of listed companies comparable in size and complexity.
- 3.3 The board members receive a yearly fee of 350,000 NOK.
- 3.4 The Chairman receives a yearly fee of 700,000 NOK.
- 3.5 In addition, each sub-committee member receives an additional remuneration of a yearly fee (28,500 NOK per sub-committee membership) paid monthly (e.g. per audit committee, remuneration committee, etc.).
- 3.6 All members of the Board of Directors receive reimbursement of reasonable expenses such as travel and accommodation in relation to board meetings as well as relevant education.

- 3.7 Individual board members may take on specific ad hoc tasks outside their normal duties for and at the instruction of the Board of Directors. In each such case, the Board of Directors shall determine a fixed fee (e.g. per diem) and/or fixed amount of warrants (with a fixed exercise price) (cf. section 3.7 below) for the work carried out related to those tasks.
- 3.8 Members of the Board of Directors may participate in a share-based remuneration program as an alternative to having their (full) board fees paid out in cash funds. Such share-based program will be in the form of warrants with a fixed exercise (strike) price. Each warrant gives the warrant holder a right to subscribe for one share in the Company. Except in respect of ad hoc tasks (cf. section 3.6 above), the number of warrants shall be based on the fixed fees that the member would otherwise be entitled to and the difference between the average closing trading price for the trading week two weeks before notice for the annual general meeting is published and a strike price of these warrants of 0.25 DKK. Except as otherwise authorized by the general meeting and decided by the Board, warrants granted in a given year vest at the earlier of (a) 30 April the following year or (b) the next ordinary general meeting. Except as otherwise authorized by the general meeting and decided by the Board, warrants may be exercised upon their vesting and within two (2) years thereafter. Vesting is contingent upon the member's continued service on the Board of Directors. Any warrants vested prior to cessation of the member's continued service on the Board of Directors shall be exercised within three (3) months thereof. If cessation is due to or caused by a material breach of the member's duties owed to the Napatech A/S as a member of the Board then (A) all vested warrants shall immediately and automatically lapse without compensation and (B) Napatech A/S shall, for a reasonable period following the cessation, be entitled to repurchase all the member's shares obtained through exercise of the warrants at their strike price.
- 3.9 The share-based program is intended to reinforce the alignment of interest between shareholders and the Board of Directors as well as being a necessary part of their compensation to ensure that Napatech A/S is competitive in the international market and to be able to attract and retain highly-qualified members of the Board of Directors on a continuous basis. The typical proportion of share-based remuneration as a relative share of the Board of Directors' compensation is between 0 % - 100%.
- 3.10 The value of warrants at the time of grant may not exceed 400% of the fixed annual base fee at the time of grant. The value shall be calculated using Black-Scholes.
- 3.11 The Board of Directors' remuneration for the most recent fiscal year is approved at the Annual General Meeting in connection with the Annual Report, and the amount of the Board's basic fees and additional fees for the current financial year is set for approval at the Annual General Meeting.
- 3.12 The elected members of the Board of Directors are elected by the General Meeting for a period of one year, typically at the Annual General Meeting. Apart from the inherent incentives in any share-based programs that the Board of Directors may participate in, there are no retention or severance schemes for the company's board members

4 REMUNERATION OF THE EXECUTIVE MANAGEMENT

- 4.1 The remuneration package for members of the Executive Management consists of a fixed annual base salary and variable elements consisting of short and long-term incentives. The Board of Directors believes that a combination of fixed and performance-based pay is the best way to attract, retain and motivate the Executive Management. In addition to cash-based remuneration, Executive Management is aligned with shareholders through participation in share-based option programs. In addition, members of Executive Management may receive a pension contribution and other benefits. In defining the remuneration policy regard is taken to the employment terms provided to Napatech A/S's employees, including that the ratio between remuneration provided to the Executive Management respectively other employees does not significantly deviate from similar exchange-listed companies in the Nordics.
- 4.2 The purpose of the fixed basic salary, pension contributions, and other benefits is primarily to provide the individual Executive Board member with a predictable minimum remuneration to be able to attract and retain Executive Management members with the desired competencies. This remuneration structure is deemed to be resilient in supporting successful leadership whilst ensuring alignment to shareholder expectations.
- 4.3 The fixed basic salary for each executive member is determined each year based on negotiation. The fixed base salary is expected to amount to between 30 and 80% of the total remuneration, depending on the achievement of the performance criteria, which determine the size of the variable salary.
- 4.4 An employer-paid pension contribution can be provided, which for the Executive Management can amount to up to 10% of the total remuneration.
- 4.5 Executive Management members have the option of free car and other benefits by agreement. Other goods may amount to up to 10% of the total remuneration. The Executive Management is also offered usual staff benefits such as health insurance, newspaper subscription, free telephone, and Internet subscription.
- 4.6 Members of the Executive Management (and also all or parts of the employees) may be eligible to cash bonus schemes as determined by the Board of Directors; these may consist of an annual bonus which the individual member can receive if specific performance targets for the Company for the relevant year are met. Payments under the short-term cash-based bonus scheme may not exceed a maximum of 119% of the Executive Management member's fixed base salary. The cash-based bonus scheme consists of annual allocations of cash bonuses calculated based on the fulfilment of predetermined performance criteria.
- 4.7 The purpose of the cash-based bonus is to ensure the Executive Management's focus on the core - primarily short-term - performance criteria in the company's strategy and similarly reward satisfactory results in relation to these performance criteria.
- 4.8 For the total cash bonus, clawback options are used, so that paid bonuses may be recovered if it is subsequently found that the salary has been paid or earned on the basis of information that is incorrect or does not comply with the guidelines, prepared by the Board of Directors, or if it is determined that the end-of-year-total bonus is less than the year-to-date payments.

Claw-back in relation to the cash bonus is possible up to 12 months after the actual payment of the cash-based incentive.

- 4.9 Members of the Executive Management (and also all or parts of the employees) may be eligible to participate in share-based incentive programs as determined by the Board of Directors. The vesting period of the warrants and SARs granted will be set at the discretion of the board of directors but will become exercisable over a minimum of four (4) years. Valuation of yearly grants for Members of the Executive Management in accordance with the Black-Scholes method may not exceed a maximum of 100% of the Executive Management member's fixed base salary.
- 4.10 Information on the total remuneration granted to Executive Management, in the aggregate, and on an individual basis, including information on key elements of any retention and retirement schemes, is disclosed in the annual report, along with a statement on compliance with this Remuneration Policy.
- 4.11 The Executive Management will typically be employed without a time limit but with the right to a mutual termination unless a temporary arrangement is involved. Executive members have a notice of termination of up to 12 months on the part of the company, while the members of the management's notice to the company are from 1 to 3 months. In special cases, members of the Executive Management can be entitled to severance pay of up to 12 months of remuneration, including all components of the remuneration.

5 OVERVIEW OF REMUNERATION OF THE EXECUTIVE MANAGEMENT

The remuneration of the company's CEO can consist of the following remuneration components: Fixed basic salary, pension contributions, other benefits, short-term cash-based bonus scheme, and long-term share-based remuneration. The individual components may comprise up to the following proportions of the fixed basic salary:

Remuneration component:	Maximum
Fixed basic salary	100 %
Pension contribution	10 %
Other benefits	10 %
Cash-based bonus scheme	119 %
Share-based remuneration	100 %

The remuneration of the company's CFO can consist of the following remuneration components: Fixed basic salary, pension contributions, other benefits, short-term cash-based bonus scheme, and long-term share-based remuneration. The individual components may comprise up to the following proportions of the fixed basic salary:

Remuneration component:	Maximum
Fixed basic salary	100 %
Pension contribution	10 %
Other benefits	10 %
Cash-based bonus scheme	75 %
Share-based remuneration	50 %

The value of share-based remuneration awarded is calculated in the above by the method used for recognition in the annual report.

Appendix B

Candidates for (re-)election to the Board of Directors of Napatech A/S at the Company's annual general meeting 2023

Lars Boilesen for re-election as Chairman:

Mr Lars Boilesen (b. 1967) has been a member of the Board of Directors since 2017. Holds a bachelor's degree in Business Economics from Aarhus School of Business and a postgraduate diploma from Kolding Business School.

Regarded as independent.

Lars Boilesen has extensive experience in the international software and technology industry. He currently serves as Chief Executive Officer for the Norwegian-listed software company Opera Software ASA (Opera), where he has overseen the sale of the company's browser, privacy and performance apps to a Chinese consortium. He has also been involved in a number of acquisitions, including that of AdColony in 2014. Prior to becoming the CEO of Opera in 2010, Boilesen served as the company's Executive Vice President of Sales & Distribution from 2000 to 2005 and was on the Board of Directors from 2007 to 2009. Boilesen spent several years at Tandberg as head of the Northern Europe and Asian-Pacific markets and as Vice President of Worldwide Sales and Sales Director. He also served as CEO for the Nordic and Baltic Region at Alcatel-Lucent and as Marketing Manager for Eastern Europe in LEGO Group.

Other directorships:

Chairman of the Board for Cobuilder AS
Board Member of Airthings ASA
Board Member of Norwegian Airshuttle ASA
Chairman of the Board of BeMobi Brazil

Howard Bubb for re-election as Member:

Mr Howard Bubb (b. 1954) has been a member of the Board of Directors since 2016. Holds a Bachelor of Science degree from the California Institute of Technology.

Regarded as independent.

Howard Bubb has served as a public company CEO, board member, Fortune 50 executive, venture-backed entrepreneur, professional mentor, and management consultant. Bubb has been consulting since 2009 working with corporate leaders to accelerate new strategies for growth and transformation while developing leadership. Mr Bubb's experience spans executive positions in global multinational corporations and early-stage companies including Intel, United Technologies, Memorex Telex, Dialogic, Pairgain, Lexar, Netronome, and others.

Other directorships:

No other directorships.

Regarded as independent.

Christian Jebsen for re-election as Member:

Mr Christian Jebsen (b. 1967) has been a member of the Board of Directors since 2019. Holds a B.S. degree in economics and B.A. from Copenhagen Business School.

Is not regarded as independent as he represents the largest shareholder controlling 27.2% of the shares in Napatech A/S.

Christian Jebsen is a partner at Verdane Capital. Prior to Verdane, Jebsen has had a number of executive management positions in listed and unlisted companies including CEO of Kebony AS, CEO of Vmetro ASA, CFO/COO of Opera Software ASA, and CEO of Stavdal ASA. Jebsen's professional background also includes seven years of investment banking experience with Nomura International in London and Enskilda Securities (SEB) in Stockholm and Oslo.

Other directorships:

Mr Jebsen has multiple board positions in portfolio companies of Verdane Capital.

Thomas Bonnerud for election as Member:

Mr Thomas Bonnerud (b. 1977) holds an M.Sc. in Electrical Engineering from the Norwegian University of Science and Technology.

Regarded as independent.

Thomas Bonnerud is a seasoned technology professional bringing more than 15 years of experience with high-tech products and market strategy working closely with engineering, sales, customers. Bonnerud has a profound technical understanding of semiconductors, embedded systems, firmware, software, machine vision, and robotics. He is currently serving as CEO of Zivid AS and has previously served more than 17 years at Nordic Semiconductor, most recently as Director of Strategy and Investor Relations, including the company's overall product and market strategy. Today Thomas Bonnerud is the CEO of Zivid AS. Zivid is a market-leading, pure play provider of industrial 3D machine vision cameras and vision software for autonomous industrial robot cells, collaborative robot (cobot) cells and other industrial automation systems. The company's primary hardware products are the Zivid Two and Zivid One+ 3D color cameras.

Other directorships:

Board member of Monil AS.

Beth Topolovsky for election as Member:

Mrs Beth Topolovsky (b 1961) holds a B.Sc. in Electrical Engineering.

Regarded as independent.

Beth Topolovsky is an international operating and management executive with a proven record of building and leading high-performance teams, by creating an energetic, accountable, and executing culture. Career Silicon Valley manager within Cisco Systems, Hewlett-Packard, and KLA Tencor. CEO and co-founder for Swedish start-up, Q2Labs, acquired in 2004. Strategic minded towards profitability and growth, with a great drive to create a unique company offering, both in products and company experience. Talented with making rapid assessments of diverse challenges within companies and teams, as well as leading problem-solving sessions and building discipline towards results. Technical education and experienced as a chip designer with Hewlett-Packard.

Other directorships:

Board Member of Sivers Semiconductor and Vice Chairperson of the American Chamber of Commerce in Sweden.

Danny Lobo for election as Member:

Mr Danny Lobo (b 1968) holds a Bachelors in EE from University of Bombay and a graduate Certificate of Management and Administration from Harvard (HES).

Regarded as independent.

Danny Lobo is a seasoned technology professional bringing more than 30 years of an extraordinary blend of strategic leadership, business acumen, and technical skills in leading cutting-edge products through its complete lifecycle. He is currently VP of Engineering at NETSCOUT and responsible for Platforms, Cloud and Network Packet Broker Research & Development. He is a polyglot technologist in diverse areas such as 5G, Dockers/K*8, high speed x86 Architectures, Security, OS/kernels, Networking/switching and strongly believes that complex problems require a spectrum of technologies to create an effective solution. Compelled by a deeply held conviction that technology should be understandable to all audiences, his goal is to be a resource to key decision makers in the tech industry.

Other directorships:

No other directorships.

Proposal