PROPOSED GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES

The Board of Directors approved at the Annual General Meeting 4 May 2021 the following guidelines for remuneration to the senior executives. It should apply until the Annual General Meeting 2025 unless circumstances arise that require an earlier revision. The guidelines are made in accordance with the Norwegian Public Limited Liability Companies Act Section 6-16a and related regulations. The term "senior executives" applies to the CEO and other members of the Executive Leadership Team. The guidelines should apply to contractual remuneration and changes made to already agreed remuneration.

TOMRA's vision is to lead the resource revolution and TOMRA is today a world leader in the markets of sensor-based sorting solutions within the three divisions, TOMRA Collection Solutions, TOMRA Recycling Mining and TOMRA Food Solutions. For more information about the business strategy, long-term interests and sustainability, see www.tomra.com.

A successful implementation of the Company's business strategy and the protection of the Company's long-term interests, including its sustainability, requires that the Company can recruit and keep qualified employees.

Salary and other employment terms for senior executives shall therefor be competitive to ensure that TOMRA can attract and retain skilled leaders. Salary should include both fixed and variable elements. The fixed salary should reflect the individual's area of responsibility and performance over time. Principles for remuneration shall be allowed to vary in accordance with local conditions. The remuneration structure shall be based on such factors as position, expertise, experience, conduct and performance. The short-term incentive (yearly bonus) shall not exceed 50% of the fixed annual salary and be based on the achievement of specific performance targets by TOMRA Group and/or the respective manager's unit. The remuneration is benchmarked against comparable companies.

The Board has appointed a Compensation and Organizational Development Committee, headed by the Chairman of the Board, to monitor decisions on matters regarding remuneration, terms and conditions for senior executives. The performance goals for the CEO are proposed by the Chairman of the Board and approved by the Board. Goals for the other senior executives are determined by the CEO and approved by the Compensation Committee. The goals are operational and related to financial targets, such as increase in revenues, improvement in profit (EBITA or EPS), return on capital employed, order intake and other market related performance objectives.

The CEO's remuneration package and any adjustments thereof, are agreed between the CEO and the Chairman and approved by the Board. The remuneration packages for the other senior executives, including adjustments of these, are agreed between the CEO and the respective manager. The terms of these agreements are approved by the Compensation and Organizational Development Committee.

Currently, the Board has established a Long-Term Incentive Plan (LTIP), where management is incentivized based upon improvements in Earnings Per Share (EPS). The plan is subject upon yearly renewals, based upon the Boards discretion.

Participation in a plan, will not give any automatic right to participate in eventual upcoming plans.

The targets are established as intervals, where the participants can earn from 30 percent (if the minimum target is met) up to 100 percent (if the maximum target is met) of one year’s salary. The plan is consequently capped at one year’s salary (except for one of the ELT members that has a cap at 50% of one year’s salary). To safeguard alignment with TOMRAs long term strategy and the shareholders’ interest, twenty five percent of earnings before tax (~fifty percent of earnings after tax) must be invested in TOMRA shares and kept for at least three years. The plan has relevant claw back clauses and can be cancelled at any time by the Compensation and Organizational Committees at its own discretion.

With a significant part of the total variable compensation linked to improvement in earnings, there are limited risk of payouts in situations where the company does not perform.

In addition to fixed and variable salary, other benefits such as company car/car allowance, health insurance, interest-free loans, newspaper and telephone might be provided. The total value of these benefits should be modest and only account for a limited part of the total remuneration package.

Senior Executives participates in the same pension plans as other employees within the unit in which they are employed. Norwegian employees (and senior executives) employed before 2006, could be participants in a defined benefit plan. For further description of this plan, see disclose note 18 in the 2019 and 2020 Annual Reports. Norwegian employees (and senior executives) employed after 2006 would participate in defined contribution plan, where TOMRA contributes 6% of salary between 1.0 and 7.1 Base amount and 16% of salary between 7.1 and 12.0 Base amount. The Base amount as of 1. January 2021 was NOK 101.351 NOK.

For senior executives, not participating in the defined benefit plan, there could be established separate agreement on payments to individual defined contribution plans, not exceeding 15% of total base salary. The CEO has currently such agreement, where he in 2020 was entitled to a payment of NOK 613.104 in 2020.
There are no agreements for compensation in relation to early retirement.

The notification period for senior executives is three to six months, except for members employed in the US, where fixed length contracts may be utilized (currently none).

The CEO and the CFO are entitled to 12 months’ severance pay following termination by the company. The head of TRM is currently entitled to 16 months’ severance following a termination, reduced down to 12 month’s by the end of 2021.

Senior executives can participate in TOMRAs share saving program at the same terms as all other employees.

Additional cash variable remuneration may be paid in extraordinary situations, assuming that such extraordinary arrangements only are made at the individual level either with the aim of recruiting or keeping senior executives or as compensation for extraordinary tasks performed in addition to regular tasks, including discretionary payments for long-serving managers at resignation.

The Board of Directors may, based upon recommendation from the Compensation and Organizational Development Committee, decide to temporarily deviate from the guidelines in full or in part if there are grounds for such a decision on a case-by-case basis and a deviation is necessary to ensure the Company's long-term interests, including its sustainability, or to ensure the Company's economic viability.

Deviation from this Remuneration Policy shall be reported in the Remuneration Report for the relevant year.