

Apptix ASA

Report on Management Remuneration 2014

Total compensation for each of the Executive Officers, as well as other senior executives, is comprised of three principal components: base salary; annual incentive compensation; and stock-based awards.

The base salaries are fixed at levels which the Compensation Committee believes are comparable to those of executives of similar status in the Company's industry, and are targeted to be competitive in the marketplace. In addition to base salary, each executive officer is eligible to receive an annual bonus tied to the Company's success in achieving certain annual performance measures, as well as individual performance. The Board and the Compensation Committee also believe that longer-term incentives are appropriate to motivate and retain key personnel, and that stock ownership by management is beneficial in aligning management's and shareholders' interests in the enhancement of shareholder value. Accordingly, the Compensation Committee has a policy of considering annual grants of stock-based awards to executive officers. Historically, such grants have been in the form of stock options.

Base Salary

Each year, the Chief Executive Officer recommends to the Compensation Committee a base salary level for each of the other executive officers. In formulating such recommendations, the Chief Executive Officer considers industry, peer group and national surveys, and performance judgments as to the past and expected future contributions of the individual senior executives. The Compensation Committee then reviews the recommendations and fixes the base salaries of each of the executive officers and of the Chief Executive Officer based on both available competitive compensation data and the Compensation Committee's assessment of each officer's past performance and its expectation as to future contributions.

Annual Incentive Compensation

The Compensation Committee administers the Bonus Plan, which is designed to compensate key management personnel for extraordinary efforts reaching certain performance milestones and to aid the Company in attracting, retaining, and motivating personnel required for the Company's continued growth. The size of the pool of funds available to be paid to eligible participants under the Bonus Plan is set by the Compensation Committee, subject to approval by the Board, either as a fixed amount or as a percentage of the combined annual salaries of eligible participants. Bonuses are generally paid to eligible participants during the first and third quarter of each year based upon annual corporate performance measures for the second half of the previous year and first half of the current year, respectively, as well as individual performance.

Long-term Compensation through Stock-based Incentives

The Company generally makes periodic grants in the form of Stock Options. Stock Options are granted with a strike price representing at least the fair market value of the Company's common stock at the time of the grants. Stock Options vest over varying terms as determined by the Compensation Committee, at the time of grant, but generally 4 years. Individual option grants are made by the Compensation Committee based upon recommendations of the Chief Executive Officer and the Compensation Committee's own deliberations as to the individual's contribution to the Company and overall level.

Management Incentive Program

The Board of Directors proposes the following Management Incentive Program (“Incentive or Bonus”) in support of shareholder value creation for the Company. Effective upon shareholder approval and for a maximum term of five years or Exit Date (“a sale or merger of the Company before the five year term ends”), participating and eligible employees can earn an Incentive based on a progressive variable compensation rate for each USD 5 million of incremental value created over USD 30 million. No Incentive or Bonus is earned for a value less than USD 30 million. The maximum variable compensation rate that can be earned for a USD 5 million increment is 20%. Once the Company’s value exceeds USD 75 million, the variable compensation rate that can be earned is limited to 20% for each USD 5 million increment. If after four years from the start date but prior to the end of the five year term or an Exit Date, eligible and participating employees may elect to be paid their allocated management Incentive. The Incentive or Bonus can be paid in either cash or shares of Company stock. If paid in shares, eligible participants will be required to pay NOK 0.333 per share. Only employees of the Company or its affiliates are eligible for participation. The Management Incentive Program was approved by the shareholder meeting and will be managed by the Company’s Board of Directors.

Severance Payment

The Company has agreements with each of its senior executives which provide for, among other things, the payment of severance and the continuation of medical and dental benefits for periods up to twelve months in the event the senior executive is properly terminated by the Company without Cause, due to Change of Control or by the executive for Good Reasons as defined by the agreements.

Pension

The Company offers a 401(k) pension plan (a U.S. tax law based pension scheme) which allows for all employees to make voluntary contributions on a pre-tax basis. During 2014, the Company provided an employer match of 50% of employee contributions up to 6% of the employee’s salary.

Board of Directors
Apptix ASA
13 April, 2015