



Group Governing Policy

Executive remuneration

Policy owner: Board of Directors
Approver: General Assembly

Valid from: 2 June 2021
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Executive remuneration

1 The purpose of this policy is

To set out the Board of Director's guidelines and principles for determining salary and other remuneration for executive personnel in Grieg Seafood ASA.

2 Policy Statement

Executive remuneration is an important tool for implementing Grieg Seafood's strategy and aligning the Company's long-term interests with the executive management's interests and ensuring the Company's financial strength.

3 Our principles

Compliance with laws and regulations

This policy is implemented in accordance with the Norwegian Public Limited Liability Companies Act, Section 6-16a, and the regulations about guidelines and reporting for remuneration of executive personnel.

Fundamental principle

Executive remuneration should be suited to attracting and keeping talented executives without being the salary leader relative to the industry, and without the variable salary becoming such a large part of the total wage compensation that it can lead to unfortunate incentives and short-term perspectives.

Key principles

- Ensuring that salaries and other remuneration are competitive and motivating for each executive and for everyone in executive management.
- Linking salaries and other remuneration to, among other things, the Company's value creation, the Company's stakeholders and shareholders.
- Attracting, motivating, and keeping an executive management team with qualifications that correspond to the Company's size and complexity.
- Developing competence and creating continuity in management.
- Ensuring transparency and publishing management's remuneration in the Company.

Salary calculation

The executive salary shall be determined in relation to the position's responsibility and complexity and be calculated as an average of executive salaries for similar executives in similar industries.

Fixed basic salary

A fixed basic salary is the main component of executive compensation and should reflect competitive terms, taking into consideration the industry, qualifications and ensuring effective operations to influence the Company's strategic direction. By meeting the budget and achieving good financial results, the variable compensation can be awarded. The fixed salaries for executive

management are evaluated annually by using Grieg Seafood's internal routines for salary adjustments.

Option scheme

A synthetic option scheme has been established for executive management and regional directors. The Board of Directors in Grieg Seafood AS desires that executive management and regional directors are shareholders through the option scheme. The Board of Directors believes this is a decisive tool for realizing its ambitions and building the Company by allowing executive management and regional directors to take part in the Company's dividends from growth and success.

Incentive plan

Grieg Seafood ASA has also established an incentive plan that applies to all employees in order to stimulate goal achievement and at the same time promote good risk management, prevent excessive risk-taking and contribute to the avoidance of conflicts of interest. Annual goal achievement and pay-outs from the incentive plan are regulated by the Remuneration Committee who prepares the Board's decision of a pay-out if the incentive goals are achieved. Taking into consideration the Company's financial position, risks, and costs for the Company in terms of capital requirements and liquidity, the Committee shall decide if the payment of variable compensation by the incentive plan is acceptable. If the Company cannot achieve the financial results associated with the incentive plan, the bonus pay-out shall not be given.

Approval of remuneration

The Board of Directors in its entirety determines the guidelines for remuneration of executive personnel, based on a mandate from the Annual General Meeting. The Board of Directors has appointed a Remuneration Committee, consisting of at least two members appointed by the Board. The Committee functions as an advisory body for the Board of Directors. For details on responsibilities, see section 6 below.

Decision about remuneration to the executive management

Salaries, other remuneration and key terms for the CEO are evaluated annually by the Remuneration Committee, who prepares the Board's decision about remuneration to the CEO. The Committee shall hold annual discussions with the CEO about financial terms and, at the latest, by the end of June each year. The Remuneration Committee presents its evaluation to the Board of Directors who makes the final decision. Wages, other remuneration and important terms for the executive management are evaluated by the CEO annually. The Remuneration Committee is informed by the CEO about remuneration of other members of executive management.

Decision about remuneration to members of the Board of Directors

Board members shall receive fixed remuneration and do not receive performance-based remuneration. Remuneration shall reflect the position's complexity, responsibility and time spent, with remuneration reflecting the levels at comparable companies.

Salary and employment conditions for other employees

The Remuneration Committee and the Board of Directors have considered the remuneration scheme that applies to the Company's other employees.

In the same way as for executive management, the basic salary for other employees is determined on the basis of the position's responsibilities, complexity, competence, and seniority. The basic salary is assessed annually through external benchmarking for the administrative positions and on the basis of salary negotiations with our unions.

Remuneration to executive management

Grieg Seafood ASA mainly emphasises a fixed basic salary as a tool, which together with variable benefits, constitutes the total remuneration. The fixed remuneration to the executive management includes:

Fixed remuneration	Goal and link to strategy	Method of determination	Framework
Fixed basic salary	Fixed salary is used as a tool to attract, engage, and keep talent to contribute to long-term value creation.	Fixed salary determined on basis of the position's responsibility, complexity, competence, seniority, and performance. Fixed basic salary evaluated annually and determined i.e., on basis of wage trends in the industry and in society.	Company does not have maximum salaries, but follows the annual evaluations using external benchmarking.
Pension scheme	The Company's pension scheme shall be competitive and secure a good standard of living after retirement. The pension scheme shall be in accordance with the business strategy, overall goals, values, and the Company's long-term interests.	The Company has a defined contribution pension scheme in Norway that is common for all Norwegian employees. The CEO is entitled to his own pension agreement for salary above 12 G*.	When determining pension contributions, the rates that apply to the Company's other employees and other industry practices are considered.
Other special benefits	The Company shall offer market-based and competitive terms.	Executive management can be awarded other special benefits that are common in the industry. The executive management, like other employees, are enrolled in Grieg Seafood ASA's current collective life and health insurance scheme. In addition, some of the executive management is covered by the Company's board liability insurance.	The Company does not operate with maximum levels when allocating other special benefits. The level of benefits is determined in relation to market levels and by what is considered appropriate for individual circumstances.
Severance pay	Severance pay arrangements are used to ensure flexibility so that the Company can meet any challenges it could face, and are adjusted to reflect performance over time, and are developed so that unsatisfactory results are not rewarded.	CEO has an agreement for severance pay of 12 month's salary. Otherwise, no member of executive management has a severance pay agreement.	N/A
Options and other forms of share-based compensation or share price development-based remuneration	A synthetic option scheme has been established for the management team and regional directors. The Board in Grieg Seafood ASA wants them to be shareholders in the Company through the option scheme. The Board believes this is a key tool to successfully realise its ambitions and build the Company by allowing the management team and regional directors to receive a part of the Company's dividend from growth and success.	The Remuneration Committee evaluates the option scheme and makes the allocation in accordance with the Annual General Meeting's framework.	A synthetic cash option scheme requires participants' direct shareholding throughout the scheme's duration. The option holders are obliged to use part of the net gain of the scheme for the purchase of shares until the shares have reached a threshold corresponding to the individual's fixed annual salary.

*G: the basic amount in the National Insurance scheme, updated annually. <https://www.skatteetaten.no/en/rates/national-insurance-scheme-basic-amount/>

The incentive scheme and the share purchase scheme encompass all the employees in the Company:

Variable remuneration	Goal and link to strategy	Method of implementation	Framework
Performance-based pay scheme	The Remuneration Committee is appointed by the Board of Grieg Seafood ASA and has approved the current performance-based pay scheme for all employees. The scheme shall motivate all permanent employees to contribute to Grieg Seafood ASA achieving defined goals and strategies within the Company's risk profile. Factors included in the performance criteria are a combination of financial and non-financial criteria relevant for the success of Grieg Seafood ASA's current strategy.	The collective performance-based pay scheme is approved annually by the Board based on the Company's overall strategies. Annual target achievement and payment from the performance-based pay scheme is controlled by the Remuneration Committee which prepares the Board's decision about payment if the performance goals are achieved.	Performance-based pay is variable remuneration tied to the Company's goal achievement.
Share purchase scheme	The Company's share purchase scheme shall stimulate co-ownership and common interests in the Company.	The Board can decide annually that all employees including executive management are offered shares at a discount. All permanent employees who have been employed at least one year in Grieg Seafood ASA or a 100%-controlled subsidiary are included in this scheme. Minor changes in qualifications for this scheme can be approved by the Remuneration Committee.	

The Board of Directors right to deviate from these principles

The Board of Directors is given the right to deviate from these principles in the case of significant changes, for example, regarding the Company's management, group structure, organization, ownership, or activity which can require extraordinary efforts from executive management. The justification to approve such a deviation shall be objectively motivated by consideration for shareholders' common interest in keeping and rewarding individuals in the executive management in extraordinary situations. On changing the policy, any significant changes shall be described in an updated policy to be approved by the Annual General Meeting. Insignificant changes can be done by the Board of Directors without the approval of the Annual General Meeting. Grieg Seafood ASA shall when making changes consider shareholders' views and votes about the policy. The policy shall be reviewed and presented for the Annual General Meeting as a minimum every fourth year.

4 Definitions

In accordance with the Norwegian Public Limited Liability Companies Act, Section 6-16c and regulations on guidelines and reporting of remuneration for executive personnel, executive personnel at Grieg Seafood ASA is defined as:

- a) Shareholder representatives on the Board of Directors
- b) Executive management

Executive management is defined as the management team and regional directors. Information about the management team is available here

<https://investor.griegseafood.com/management#management-team>, with further details in the Annual Report in the note for "Salaries and personnel expenses" under "Share-based payments."

5 Tracking, reporting and key performance indicator

The Board of Directors in Grieg Seafood ASA shall prepare a salary report for each accounting year in accordance with the Norwegian Public Limited Liability Companies Act, 6-16b which gives an overall summary of paid and accrued wages and remuneration. The auditor must review the salary report before its consideration at the Annual General Meeting. The Annual General Meeting shall have an advisory vote over the salary report. The salary report will be presented to the Annual General Meeting for the first time in 2022. It shall be publicly available on the Company's web page without delay after the Annual General Meeting has been held and remain publicly available for 10 years thereafter.

The remuneration to each individual member of the executive team and Board member is also published in the Annual Report.

6 Responsibility for implementing and adhering to this policy

Annual General Meeting

- Approves this policy
- Approves the share purchase scheme and the option scheme

Board of Directors

- Determines the guidelines for remuneration of executive personnel, based on a mandate from the Annual General Meeting
- Authorized by the Annual General Meeting to adjust the applicable salary remuneration and incentive plans to remain appropriate and competitive
- Reviewing and presenting the policy for the Annual General Meeting as a minimum every fourth year

Remuneration Committee

- Advises the Board of Directors and shall ensure that Grieg Seafood ASA establishes, audits, and implements this policy
- Evaluates proposals for significant changes in the policy, and prepares proposals for changes to the Annual General Meeting
- Ensures a thorough and independent preparation of cases regarding remuneration to executive management
- Evaluates annually the salary, other remuneration and key terms for the CEO and prepares the Board's decision about remuneration to the CEO
- Regulates the annual goal achievement and pay-outs from the incentive plan and prepares the Board's decision of a pay-out if the incentive goals are achieved

CEO

- Evaluates annually salaries, other remuneration and important terms for the executive management and informs the Remuneration Committee
- Communicating policy organizationally

7 Related documents or references

This policy is implemented in conjunction with the following:

- Grieg Seafood Corporate Governance Structure