

Remuneration guidelines for the Corporate Executive management and Board of Directors in Höegh Autoliners

1 Applicability and scope

These remuneration guidelines are applicable for the Corporate Executive management in Höegh Autoliners Management AS and the Board of Directors. The guidelines are prepared in accordance with the Public Limited Companies Act section 6-16a. Pursuant to the Public Limited Companies Act section 6-16a (5) the guidelines will be presented to the Annual General Meeting (AGM) 2024 for approval. The Corporate Executive management is defined as the top leaders of the organisation on management employment contracts.

This is applicable when hiring new members of the Corporate Executive management and awarding variable pay-outs for them.

2 Remuneration Principles for the Board

The Chair and other Board members receive remuneration as Board members and members of Board Committees. The remuneration is determined by the Annual General Meeting (AGM) on the basis of recommendation from the Nomination Committee. Compensation for the Board of Directors is not linked to the Company's performance. The members of the board receive an annual fixed compensation and additional compensation for participation in any of the board committees. In the case of business travel on behalf of the board, the board members are entitled to travel compensation based on actual expenses.

The only exception to the above is that the Chair of the Board has a standard employment contract with three months' notice period, but no other agreed compensation for termination or other changes. None of the other members of the Board have any agreements for compensation in the event of termination or changes in their positions as Board members. The Chair's salary is regulated by the increase in G/ basic amount which is increased in May of each year.

3 Purpose and overall principles for the Corporate Executive management

The policy is developed to ensure the compensation of the Corporate Executive management complies with relevant regulatory requirements and 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 the Company and shareholders.

Our aim is that it is easy to understand and use. The focus is to achieve short-term actions that contribute to achievement of our longer-term strategic priorities. Performance measures are defined for a broad set of financial and operational strategic priorities with qualitative and quantitative targets to drive desired results and secure a clear link between the Corporate Executive management's compensation, business strategy and company performance. The Board of Directors determines the remuneration of the CEO and approves the general terms of the company's incentive plans for the Corporate Executive Management, while the CEO determines the remuneration of the other members of the Corporate Executive Management.

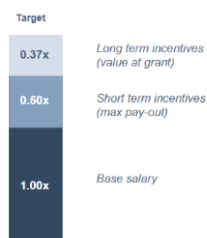
The principles are:

- Attract and retain people with the right skills, motivation and mindset needed to deliver on our strategy.
- To clearly link team and individual contributions to the company's results including financial performance, operational performance and organisational development based on the defined company strategy.
- The compensation should be competitive against relevant benchmarking and reflect the complexity and responsibility for the position.
- The compensation should be fair and transparent.
- Compensation should reflect alignment for value creation for the Corporate Executive management and shareholders.

4 Main compensation elements

The remuneration structure for the Executive team reflects the Company's desire to offer a market-relevant total remuneration package with an appropriate balance between base salary and variable pay, which includes short and long-term incentive components. The remuneration of the Executive team includes a base salary, variable pay in the form of an annual cash bonus and a long-term incentive as well as other standard benefits.

The total target remuneration mix is as follows:



Peer group

The starting point for peer group selection is the Norwegian shipping industry. From there the individual Executive team member role is used to define the benchmarking. In selecting the appropriate peer companies, we consider role and incumbent specific factors such as scope, key drivers, skills and competences as well as company factors such as size and complexity and location. The peer group benchmarking is updated each year by the Company's external benchmarking supplier.

Base salary

The base salary is the annual fixed pay which recognises market value and reflects the nature of the role in terms of scale, complexity and responsibility as well as the individual's experience, contribution, and sustained performance level. The base salary is reviewed by the CEO and the Board at least once a year.

Variable pay

The variable pay components are designed to drive owner-like decision making and to incentivise the delivery of the Company's strategic ambitions. The variable pay includes a short-term cash bonus plan and a long-term incentive plan. Both the short-term and long-term incentives are awarded annually.

Benefits

Benefits are aligned to what the Company provides to the general workforce in Norway. Benefits include insurance coverage, defined contribution pension, flexi days, annual health checks, mobile phone, newspaper subscription, car parking, long service awards and other benefits according to the relevant benefit policies.

Contractual main terms

The Executive team members have leading contracts based on the standard conditions for Executives working under Norwegian employment law, except for the Chief Strategy & Analytics Officer who has a UK contract as she works remotely from the UK.

The Executive team member can resign from the Company by giving 6 months' notice. In the event of termination by the Company, there is no severance payment included in the contract, except for the CEO who is entitled to severance pay equal to six months base salary as per the date of termination. Treatment of the short-term incentive bonus and the long-term incentive plan awards, in case of termination, follows the leaver provision described under Short-term and Long-term incentive agreements. The Executive team members also have a non-competition clause, which restricts the individual from directly or indirectly participating in any competitive business for up to 12 months.

5 Updates for 2024

There are no updates proposed for the 2024 guidelines.

Deviation from the guidelines

The Board of Directors may decide to deviate from the guidelines temporarily in individual cases. This requires exceptional circumstances making this necessary to safeguard the Company's long-term interest, financial sustainability or ensure the Company's viability. Potential deviations and the reasons for this will be reported in the report on remuneration of the Corporate Executive management and Board Members to the Annual General Meeting.

Below table outlines the main compensation elements for the Corporate Executive management and Board of Directors:

Compensation element	Objective	Award level	Criteria
Base salary	Attract and retain people with the right skills, motivation and mindset needed to deliver on our strategy. It provides the minimum expected to perform the role	The compensation should be competitive against relevant benchmarking and reflect the complexity and responsibility for the position. The base salary is the annual fixed pay which recognises market value and reflects the nature of the role in terms of scale, complexity and responsibility as well as the individual's experience, contribution, and sustained performance level.	Base salary is assessed annually based on benchmarking with effect from 1 January.
Pension and insurance	To provide security and support to our employees both during and post retirement. Together with other benefits, creates alignment with market practice.	We offer general occupational pension and insurance schemes. In addition, the Company offers a health insurance, disability and dependents' benefits in accordance with the company's general pension plan. We provide a general defined contribution occupational pension of 5% up to 7.1 G and 8% between 7.1 – 12 G. A pension compensation based on factors such as age and salary are provided for those employees who were employed when the defined benefit pension plan was terminated.	Pension is aligned with local market standard and is the same for local employees
Benefits in kind	Support wellbeing	Benefits include flexi days, health checks, mobile phone, newspaper subscription, car parking, long service awards and other benefits according to the relevant benefit policies.	Not applicable
Severance	To ensure a fair approach if a senior executive leaves the Company at the Company's request.	The Corporate Executive management members have no set severance pay over and above the notice period, except for the CEO who has a six (6) month severance included in their contract. In addition, there is a non-competition clause that can be invoked depending on the situation.	Generally, the Corporate Executive management member's own notice will not instigate severance payment. A severance payment may be offered if a Corporate Executive management member is asked to leave the company due to mergers, substantial changes in ownership, or if deemed necessary by the board. However, a severance payment would not be considered appropriate for any material breach of their duties.
Short-Term Incentive – (STI)	Encourage a strong team performance culture to drive achievement of short-term business objectives toward longer term strategic Company goals.	The maximum bonus pay-out is up to 50% of the annual base salary. Bonus payouts are based on achievement of the Company and related individual goals which include both financial and non-financial targets. The overall evaluation for the CEO then guides the Executive team's overall STI bonus budget. The CEO has the mandate to make individual adjustments to individual bonuses using the baseline as guidance – i.e. if there has been significant and differentiated contribution and impact, a higher bonus can be awarded, and the opposite if there has been a significantly lower contribution and impact.	STI is entirely driven by business performance in the specific financial year. The Board sets goals and targets for the respective performance year for the CEO and determines the extent to which they have been achieved. The CEO and Chair set the annual goals and measures for the CEO at the start of the financial year which are cascaded and shared by the Executive team. Metrics are selected to reflect the specific business goals for the financial year and include a combination of financial

		The STI carries no benefit rights but will be part of the holiday pay and pension calculation.	metrics, operating performance and other non-financial metrics. These goals are reviewed and approved by the Board. Following the end of the financial year, the Chair and the CEO review the performance of the CEO based on the agreed metrics and weightings per goal. Financial measures and targets cannot be updated, however operational goals can be adjusted throughout the year to adapt to changing market conditions. The employee may not be entitled to pay-out, if the employee has given or been given notice. In case of documented individual underperformance, misconduct or similar, the board (for the CEO) and the CEO (for other the Corporate Executive management members) have the right to refrain from paying.
Long-term incentive (LTI)	To strengthen the alignment of the Executive team's and shareholders' long-term value creation and to foster an owner like behaviour and decision making. Designed to ensure that decisions made are in the long-term interest of all stakeholders and to safeguard that interests of the Board and the Company stakeholders are aligned.	An award share is an artificial share which only purpose is to simulate the fair market value of a share. The award share gives the employee no rights whatsoever and the award share has no value. The award share is used in the award calculation method for determining the amount of bonus shares which shall be granted to the employee after the award shares have vested. The award shares are automatically vested three years after the award date. The award calculation is based on the developments in the share price from the award date and until the vesting date. If the share price increases in the period from the award date and to the vesting date, the employee is granted bonus shares based on the gain on the award shares in this period. The shares are subject to a lock-up period of two (2) years following the end of the vesting period. The Long-Term Incentive Plan (LTIP) carries no pension, holiday pay or benefit rights.	It is an annual plan where award shares are assigned annually at the Board's discretion. All leavers are considered as bad leavers, unless the Board, at its discretionary basis, decides otherwise. However, a termination of employment due to retirement, death or disability shall not be considered as a bad leaver.
Board compensation	To compensate Board members for their time and contribution to the Company.	The remuneration of the Board of Directors is determined by the shareholders at the Company's Annual General Meeting and the Board of Directors' expertise, the complexity of the Company's business, time spent, the level of activity performed. The remuneration is not linked to the Company's performance. The Corporate Executive management do not, as a rule, receive compensation as chair of or board members on internal boards.	Not applicable