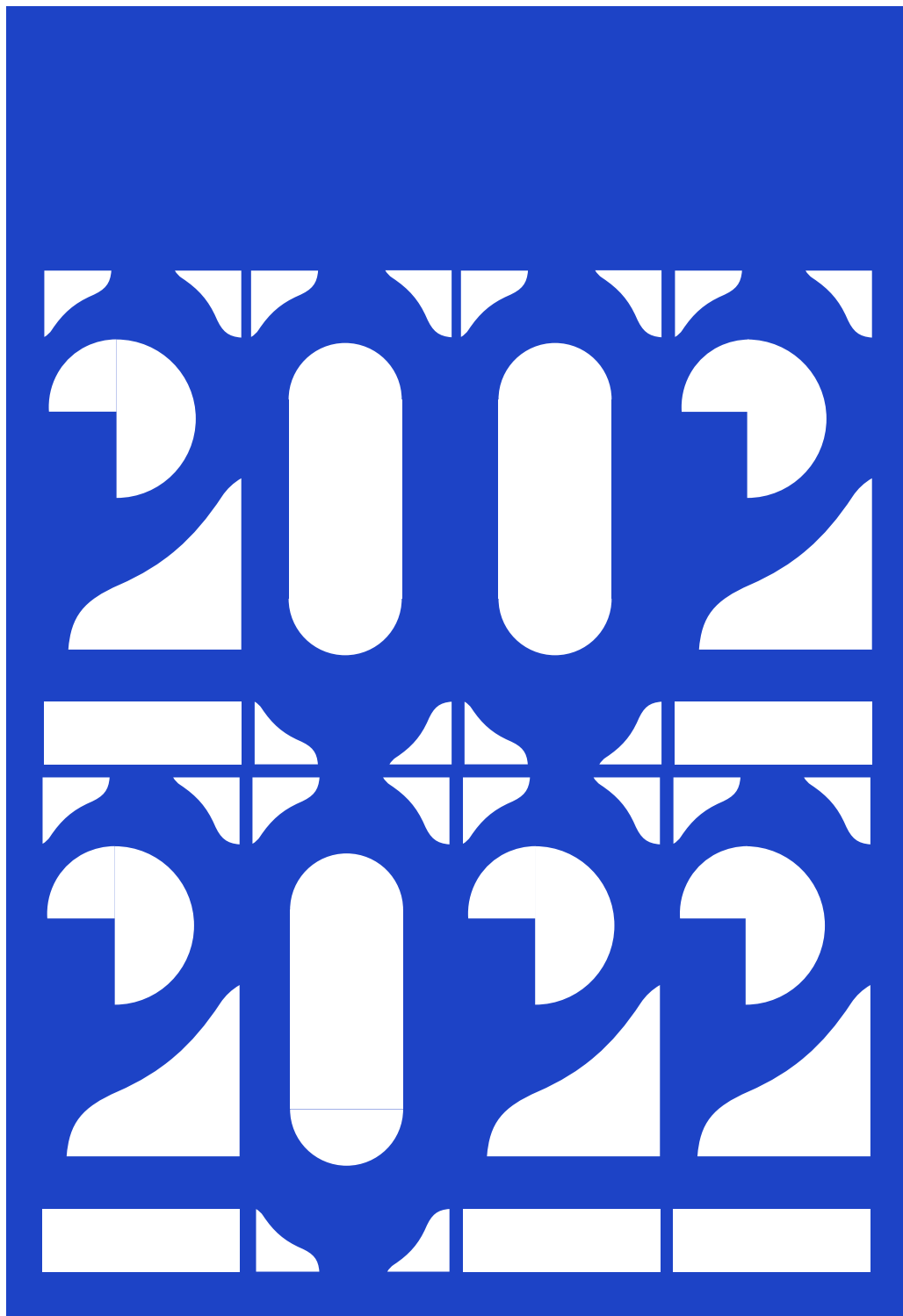


REPORT ON REMUNERATION of senior executives



bouvet

2022

WE LEAD THE WAY AND BUILD
TOMORROW'S SOCIETY

1 Purpose

This report has been produced in accordance with the requirements of section 16, subsections 16a and 16b of the Norwegian Public Limited Companies Act and Bouvet's remuneration policy for senior executives approved by the general meeting of 19 May 2022. The purpose of the report is to describe how the guidelines have been applied during 2022 in order to ensure transparency related to Bouvet's main principles for determining pay and other remuneration of senior executives and insight into the actual remuneration of senior executives in Bouvet. In addition, the report will contribute to ensuring that the remuneration arrangements accord with Bouvet's values, long-term goals and results.

2 Application of the guidelines on remuneration of senior executives in 2022

Bouvet ASA observed the guidelines for remuneration of senior executives in 2022 as approved by the general meeting on 19 May 2022. Overall remuneration accorded with the guidelines for directors' fees and for the total remuneration of senior executives. The procedure for determining the remuneration of senior executives was complied with, and the main principles for pay and other remuneration for the chief executive and other members of the corporate executive management form the basis for the total remuneration.

No deviations occurred during the year. The guidelines for remuneration of senior executives are available at [bouvet.no](https://www.bouvet.no).

3 Remuneration of directors

At 31 December 2022, the board comprised five directors, including two women and three men.

Directors receive an annual fee. These fees are fixed and not profit-related. In addition, they have their travel expenses covered in connection with board meetings in accordance with the government scale for such expenses. Directors receive no form of remuneration from the group beyond that. Directors do not receive separate remuneration for participation in other committees.

The general meeting determines directors' fees on the basis of a proposal from the nomination committee. On that basis, fees were adjusted as shown in the table below.

Table 1. Directors' fees (NOK)

	FIXED ANNUAL FEE		
	2022/2023	2021/2022	INCREASE %
Chair	367 500	350 000	5%
Deputy chair	210 000	200 000	5%
Director	185 750	175 000	6%

The table below presents the total remuneration paid to each director in 2022.

Table 2. Remuneration of directors (NOK)

	FIXED REMUNERATION, DIRECTORS' FEES	TOTAL REMUNERATION
Pål Egil Rønn, chair	367 500	367 500
Tove Raanes, deputy chair	210 000	210 000
Egil Dahl, director	185 750	185 750
Sverre Hurum, director	185 750	185 750
Lill Hege Hals, director	185 750	185 750

Directors do not receive options.

Table 3. Shareholdings by directors at 31 December 2022 (number of shares)

SHARES OWNED DIRECTLY OR INDIRECTLY BY DIRECTORS	NUMBER OF SHARES			
	31 DEC 2021	PURCHASED	SOLD	31 DEC 2022
NAME, POSITION				
Pål Egil Rønn, chair	50 000	10 000		60 000
Tove Raanes, deputy chair	8 950	4 000		12 950
Egil Dahl, director	1 628 020	200 000		1 828 020
Sverre Hurum, director	3 579 060			3 579 060
Lill Hege Hals, director	0			0

4 Remuneration of the executive management

Remuneration of the executive management comprises:

- fixed pay
- variable remuneration
 - profit sharing
 - benefits in kind
 - pension
 - in addition, senior executives have the opportunity to participate on the same terms as the group's employees, managers and sales personnel in the group's share programme for employees and will in that context receive bonus shares.

Pay and other remuneration for senior executives will be determined on the basis of an overall goal that Bouvet is to realise its business strategy, protect its long-term interests and maintain and develop its financial sustainability. To achieve these goals, Bouvet is dependent on recruiting and retaining the right employees. Bouvet's principles for pay and other remuneration for senior executives will contribute to this, while simultaneously encouraging collaboration and fellowship across the group.

The table below presents remuneration for senior executives compared with the 2021 financial year.

Table 4. Remuneration of the executive management (NOK)

		VARIABLE REMUNERATION					PERCENTAGE FIXED AND VARIABLE REMUNERATION		
		FIXED REMUNERATION, FIXED PAY	PROFIT SHARING	BONUS SHARES ¹	BENEFITS IN KIND	PENSION COST	TOTAL REMUNERATION	FIXED %	VARIABLE %
Per Gunnar Tronsli, CEO, from 1 Jan 2021 ^{2,3}	2022	3 441 869	1 287 248	63 369	16 823	95 063	4 904 372	70%	30%
	2021	3 172 614 ⁴	659 181	127 529	10 569	86 881	4 056 774	78%	22%
Erik Stubø, CFO, to 30 Jun 2021	2022								
	2021	1 108 246	936 851		5 664	48 939	2 099 700	53%	47%
Trude Hole, CFO, from 1 Jul 2021 ²	2022	2 141 503	407 452	63 369	24 203	97 315	2 733 842	78%	22%
	2021	1 015 230	0	127 529	7 159	29 498	1 179 416	86%	14%

¹ Bonus shares are awarded free of charge when a three-year term matures in the share programme.

² The annual changes to fixed pay and profit-sharing for Per Gunnar Tronsli and Trude Hole were affected by their job changes.

³ Per Gunnar Tronsli's pay rise in 2022 amounted to 5.5 per cent. The specified change in the table above amounts to 8.5 per cent, and was influenced by his change of job and the consequent payment of holiday pay earned in his former post.

⁴ The figure has been adjusted in connection with the executive remuneration report for 2021. The pay settlement for 2021 was first paid in 2022, but is incorporated in fixed pay for 2021.

In consultation with the compensation committee, which comprises two directors, the board determines remuneration for the chief executive. The board establishes the guidelines for remuneration of other members of the corporate executive management, in collaboration with the chief executive. The basis for such determination is that the total remuneration offered must be competitive in relation to comparable positions and the market, and that profit sharing is limited to a maximum of 50 per cent of fixed annual pay. The share of profit paid in May 2022 was based on the financial results achieved in the 2021 financial year and paid in May 2022 to senior executives who were not under notice.

A change of CEO was implemented on 1 January 2021, and of CFO on 1 July 2021. Their remuneration was determined on the basis of the main principles for pay and other remuneration as described in the guidelines for senior executives, which are available on bouvet.no, and no deviation occurred in relation to individual terms in connection with the changes to senior executives.

4.1 Fixed pay

Fixed pay is the annual basic pay, which was adjusted in May 2022 or in connection with changes in the type of position during 2021. The table shows fixed pay earned in 2022 including holiday pay.

4.2 Variable remuneration

The group does not have remuneration related to performance criteria, and has no opportunity to reclaim variable remuneration.

4.2.1 Profit sharing

Profit sharing is cash-based and triggered for the individual senior executive on the basis of collective group goals intended to encourage sharing and collaboration across the group in order for people to stretch towards achieving Bouvet's vision and to develop and deliver on the group's values, ambitions and long-term goals.

A change of CEO was implemented on 1 January 2021, and of CFO on 1 July 2021, with both Per Gunnar Tronsli and Trude Hole moving from other roles in Bouvet. This is reflected in the bonus paid in 2021, which was based on results and type of position in the 2020 financial year. Bonuses are paid in May the year after the earnings period.

4.2.2 Benefits in kind

Benefits in kind include insurance, mobile phone and subscription, broadband and so forth, and are provided on the same terms as for the rest of the employees. The chief executive and the other members of the corporate executive management receive no other benefits in kind beyond that.

4.2.3 Bonus shares

Bouvet does not have share-based remuneration for senior executives, but conducts an annual share programme for employees where senior executives have the opportunity to participate on the same terms as the rest of the organisation's employees. Participation in the employee share programme involves subscribing for shares which entitle the employee to receive additional shares free of charge if the employee retains their purchased shares for three years and remains employed by the group.

Table 4.1. Shareholdings by senior management at 31 Dec 2022 (number of shares)

SHARES OWNED DIRECTLY OR INDIRECTLY BY SENIOR MANAGEMENT	NUMBER OF SHARES			
	31 DEC 2021	PURCHASE	SALE	31 DEC 2022
Per Gunnar Tronsli, CEO from 1 Jan 2021 ¹	66 478	1 782		68 260
Trude Hole, CFO from 1 Jul 2021	22 028	2 782		24 810

¹ In addition, related parties to Per Gunnar Tronsli own 14 686 shares (31 Dec 2021 6 120 shares) in Bouvet ASA.

4.3 Pensions

The chief executive and other members of the corporate executive management are covered on the same terms as the rest of the employees by a defined-contribution pension plan, limited upwards to 12 times the National Insurance base rate (G). No agreements have been entered into on supplementary pension for the chief executive or other members of the corporate executive management.

5 Annual change in remuneration and group profit

A summary of developments in senior executive remuneration, the group's performance and employee remuneration over the five-year period from 2017-21 is provided in the table below.

Table 5. Comparative figures for remuneration and group performance over the past five reported financial years

ANNUAL CHANGE	2018		2019		2020		2021		2022	
	TOTAL REMUNERATION	ANNUAL CHANGE	TOTAL REMUNERATION	ANNUAL CHANGE	TOTAL REMUNERATION	ANNUAL CHANGE	TOTAL REMUNERATION	ANNUAL CHANGE	TOTAL REMUNERATION	ANNUAL CHANGE
Sverre Hurum, CEO, to 31 Dec 2020 ¹	4 052 073	12%	4 494 686	11%	4 738 191	4%				
Per Gunnar Tronsli, CEO, from 1 Jan 2021							4 056 774	IA	4 904 372	21% ²
Erik Stubø, CFO, to 30 Jun 2021 ³	3 425 256	10%	3 626 686	6%	3 676 002	1%	3 847 009	5%		
Trude Hole, CFO, from 1 Jul 2021							2 227 665	IA	2 733 842	23% ²
Financial results (NOK 1 000)										
Operating revenue	1 846 711	15%	2 132 052	15%	2 401 844	13%	2 695 124	12%	3 085 470	14%
Operating profit (EBIT)	191 562	33%	232 051	21%	314 559	36%	340 086	8%	401 692	18%
Employees	1 369	13%	1 557	14%	1 656	6%	1 841	11%	2 041	11%
Average remuneration										
Group employees (Norway and Sweden) ⁴	847 302	1%	876 137	3%	911 425	4%	967 222	6%	980 001	1%

¹ Sverre Hurum is included for comparative purposes.

² The annual change in 2022 for senior executive in 2022 was affected by changes to posts with associated revisions to profit-sharing payments, which account for the bulk of the alterations for the year.

³ Erik Stubø is included for comparative purposes.

⁴ The difference in average pay growth for employees in 2018 and 2019 compared with the executive management was partly influenced by the increase in the number of employees and by an expanding proportion of new graduates among personnel in the group.

6 Declaration by the board of directors

The board has today considered and approved the remuneration report for Bouvet ASA for the 2022 financial year. The remuneration report has been prepared in accordance with section 6, subsection 16b of the Norwegian Public Limited Companies Act and regulations issued pursuant to this provision.

The remuneration report will be submitted to the general meeting on 23 May 2023 for a final decision.

Oslo, 25 April 2023
The board of directors

Sign.

Pål Egil Rønn
Chair

Sign.

Tove Raanes
Deputy chair

Sign.

Sverre Hurum
Director

Sign.

Lill Hege Hals
Director

Sign.

Egil Christen Dahl
Director

Sign.

Per Gunnar Tronsli
CEO



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INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REPORT ON SALARY AND OTHER REMUNERATION TO DIRECTORS

To the General Meeting of Bouvet ASA

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Bouvet ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2022 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of Directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standards on *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (ISQM 1) and *Engagement Quality Reviews* (ISQM 2) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 26 April 2023
Ernst & Young AS

Leiv Aschehoug
State Authorised Public Accountant

(This translation from Norwegian has been made for information purposes only.)

