



Guidelines for determining the pay and other remuneration of senior executives

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bouvet

Guidelines for determining the pay and other remuneration of senior executives

Adopted by the annual general meeting of Bouvet ASA on 20 May 2021.

1. About the guidelines

Ultimate responsibility for the guidelines rests with the board.

In special circumstances, the board can temporarily deviate from the guidelines. Proposals for deviating from the guidelines must be considered by the board's compensation committee before consideration by the board.

The guidelines will be considered by the group's general meeting at least once every four years. In addition, any significant changes to the guidelines must be considered by the general meeting.

Payments for the year to senior executives and directors are accounted for in a separate note to the annual financial statements.

2. Procedure for determining the remuneration of senior executives

Ultimate responsibility for determining pay and other remuneration of the chief executive and other members of the corporate executive management rests with the board.

The board has established a compensation committee. This committee comprises two shareholder-elected directors of the Bouvet Norge AS subsidiary. It is intended to function as a preparatory body for the board in matters relating to the assessment and determination of pay and other remuneration for the chief executive, and to serve as an adviser to the chief executive in determining the terms and conditions for other members of the corporate executive management.

Bouvet ASA has a nomination committee elected by the general meeting. This committee makes recommendations on remuneration for the members of the board of directors. Decisions on the remuneration of directors are taken by the general meeting.

3. Main principles for pay and other remuneration of the chief executive and other members of the corporate executive management

The basic principle for Bouvet's determination of pay and other remuneration for the chief executive and other members of the corporate executive management is that

these persons will be offered terms which are competitive with those they are offered by the companies it is natural to compare Bouvet within the business it conducts.

Pay and other remuneration will be determined on the basis of an overall objective that Bouvet will realise its commercial strategy, protect its long-term interests, and maintain and develop its financial viability. To achieve these goals, Bouvet is dependent on recruiting and retaining the right employees. Bouvet's principles for pay and other remuneration to senior executives will contribute to this.

The main principles for pay and other remuneration are as follows.

- The pay of chief executive and other members of the corporate executive management is provided as fixed basic pay and a variable component in the form of profit sharing.
- The total of basic pay, profit sharing, benefits in kind and the defined-contribution pension scheme represent the total remuneration received by the employee for their efforts.
- The scope of the variable component of the remuneration depends on the extent to which specified financial goals are reached.
- The total remuneration offered will be competitive with comparable positions and the market.

Bouvet assumes that the level of fixed pay will be moderate, with few benefits in kind, but that it will be possible to achieve a share of the profit which ensures the total remuneration is competitive.

4. Determination of remuneration for the chief executive

The board, in consultation with the compensation committee, determines remuneration for the chief executive. The chief executive otherwise has the same employment terms and period of notice as the rest of the employees. No agreements have been entered into on termination benefits or severance pay. The chief executive is entitled to three months notice. No special termination conditions apply for the chief executive.

5. Determination of remuneration for other members of the corporate executive committee

The board establishes the guidelines for remuneration of other members of the corporate executive management, in collaboration with the chief executive. No agreements have been entered into on termination benefits or severance pay. The other members of the corporate executive management are entitled to three months notice, and no special termination conditions apply.

6. Profit sharing

Bouvet has a model for profit sharing which takes two forms.

- Profit sharing at regional level for unit managers, sales personnel and consultants.
- Profit sharing at group level for employees in common administrative and staff functions.

Profit-related remuneration is limited to a maximum of 50 per cent of fixed annual pay.

7. Purchase of the company's shares

The annual general meeting has mandated the board every year to make a private placement of shares aimed at the group's employees in order to implement the group's share programme for employees. Shares can be sold to employees, subject to the board's approval, at a discount of 20 per cent on the prevailing stock exchange price.

The share programme covers all employees who are not on notice to quit and who have started their job at the latest on the first day of the month when the offer is made. The programme comprises an annual offer whereby each employee can subscribe to shares under the scheme once per calendar year. It is approved for one year at a time. The programme provides the employee with the opportunity to subscribe for shares with a market value of NOK 7 500-15 000 per annum at a 20 per cent discount. Bouvet will provide an equivalent number of shares free of charge if the employee retains the purchased shares for three years and is still employed by it.

In addition, the group has a share programme covering all managers and sales personnel. This comprises an annual offer whereby each manager can subscribe to shares under the scheme once per calendar year. The programme is approved for one year at a time. It gives each manager the opportunity to subscribe for shares worth up to NOK 22 500 per annum at their market price without any subsidy from Bouvet. The group will provide an equivalent number of shares free of charge if the employee retains the purchased shares for three years and is still employed by it.

8. Pension

The chief executive and other members of the corporate executive management, like the rest of the employees, are covered by a defined-contribution pension plan with an upper limit of 12 times the National Insurance base rate (G). No agreements have been entered into on supplementary pension for the chief executive and other members of the corporate executive management.

9. Benefits in kind

The chief executive and other members of the corporate executive management receive benefits in kind on the same terms as the rest of the employees. The chief executive and other members of the corporate executive management receive no other benefits in kind.

10. Remuneration of directors

Directors receive a fixed annual fee. In addition, they have their travel expenses in connection with board meetings covered in accordance with the government scale for such expenses.

Directors otherwise receive no other form of remuneration from the group.