

Statement of executive remuneration

Guidelines for remuneration to the President & CEO and the executive management of Kvaerner

The main purpose of the executive remuneration programme is to encourage a strong and sustainable performance-based culture, which supports growth in shareholder value. The total remuneration to executives consists of a market competitive base salary, standard employee benefits and participation in the company's executive variable pay programme.

General

The company practices standard employment contracts and standard terms and conditions regarding notice period and severance pay for the President & CEO and the executive management.

The executive and senior management positions are evaluated and graded in an international grading system in order to enable national and international market salary benchmarks. The market salary benchmark shall be performed on annual basis and the results of such benchmark for the members of the executive management team (EMT) shall be reported to the Kvaerner Board's Remuneration Committee. For the executives' direct reports and selected key positions, the results shall be reported to the EMT. The target is to maintain a total compensation level which is competitive compared to market median.

Benefits

The President & CEO and the members of the executive management team participate in the standard pension and insurance plan applicable to all employees in the company.

Variable pay programme

The company has a deliberate policy of offering limited fixed benefits, and rather securing market competitiveness by offering participation in an executive variable pay programme. The objective of the programme is to recognise and reward the achievement of financial- and operational results as well as personal performance. The variable pay programme potential is maximised to 100 percent of the annual base salary. The earnings under the programme are dependent on the annual achievement of the financial targets, the company's key performance indicators and personal performance rating. 50 percent of the earnings under the variable pay programme are paid-out the following year, and for the purpose of retention the other 50 percent is deferred for three years and paid-out along with a restricted share programme element. The share programme element will be calculated by share price as of 30 April (or the next workday if this date falls on a weekend) the year following the earning. The shares will be bought by Kvaerner the year following the earning, and allocated to the executives three years later. Payment of the retention element is provided the executive is still employed by the company at the time of payment. The maximum annual payment under the programme is limited to one annual base salary. The surplus shall be transferred and paid-out the forthcoming year.

Severance pay

Severance pay is applicable in case the company requests the resignation of the executive out of concern for the affairs of Kvaerner or there is a mutual understanding between the company and the executive to the effect that the employment shall be terminated. If so, the executive would be entitled to severance pay corresponding to three or six month's regular fixed salary. Severance pay does not imply the accrual of holiday allowance or pension entitlements.

Employee share purchase programme

Kvaerner's share purchase programme was approved by the Board of Directors and introduced for the first time in 2012. The programme is subject to approval by the Board every year. The share purchase programme was not executed in 2014.

Share options programme

The company does not offer share options programmes to any managers or employees.

Guidelines for settlement and approval of executive compensation

The Kvaerner Board's Remuneration Committee assists in the discharge of the Board of Directors' responsibilities with respect to compensation of the President & CEO and the executives.

The committee is comprised of three Directors from the Board of Directors, each of whom shall be free of any relationship that, in the opinion of the Board of Directors, would interfere with his or her exercise of

independent judgement. The Chairman of the Remuneration Committee shall be appointed by the Board of Directors. The President & CEO of the company and/or his representative(s) may participate in the meeting of the Remuneration Committee. The President & CEO of the company and his representative(s) shall not participate in the Remuneration Committees' discussion of the President & CEO's terms and conditions.

According to the Remuneration Committee charter, the committee shall carry out annual compensation review for the President & CEO and propose any changes of the compensation to the Board of Directors. The Board of Directors approves the compensation for the President & CEO.

The executive wage settlement shall be recommended by the administration and shall be approved by the Remuneration Committee in accordance with the one-over-one principle set out in the Kvaerner People Policy. The same principles for executive wage settlement will be applied in 2015.