

# Executive Remuneration Policy for Aker Solutions

*For approval by the Annual General Meeting on 14 April 2021*

This policy has been prepared in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act and provides the framework for the remuneration of executives in Aker Solutions.

The main purpose of the company's remuneration of executive management is to attract and retain executives, to align interests between executives and the company's shareholders and to encourage a strong and sustainable performance-based culture which supports the company's overall strategic ambitions and goals over time.

The Executive Remuneration Policy is aligned to the general remuneration practices of Aker Solutions to ensure that remuneration is:

- Competitive
- Simple and transparent
- Agile and cost efficient

Remuneration shall reflect the content and complexity of the executives' position as well as the performance of the individual.

## Relation to the company's business strategy, long-term interests and sustainability

To successfully implement the company's business strategy and safeguard its long-term interests, the company needs to be able to recruit, develop and retain executives with relevant experience, expertise and advanced leadership skills. It is therefore important that the company is able to offer its executives a competitive and well-balanced remuneration package.

The remuneration policy aims to provide a clear framework for remuneration of executives so that terms can be formulated that benefit the company's business strategy and long-term interests – including its lasting growth, sustainability and profitability – and that contribute to long-term growth in shareholder value.

## Remuneration governance

Aker Solutions' Board of Directors has established a Remuneration and Organizational Development Committee ("Committee"). The duties of the Committee include the responsibility to prepare the Executive Remuneration Policy that shall be submitted to the Annual General Meeting for approval at least every 4 years and upon every significant revision.

The Committee shall further monitor, evaluate and approve the application of the policy and all remuneration elements provided to executives in the company. The Committee approves the company's objectives and targets in the variable pay schemes as well as the performance assessment and the calculated earnings from the variable pay schemes. The assessment shall be based on the most recent audited accounts and relevant internal measures. The Committee may adjust the calculated result in exceptional situations if the calculated result does not reflect the underlying performance.

For each financial year the Board of Directors shall prepare a remuneration report for the Annual General Meeting. The report shall be made available on the company's website.

## Components of the remuneration package

The executive remuneration package may consist of the following components:

- Fixed cash remuneration
- Variable pay
- Share programs
- Pension and insurance
- Other benefits

### Fixed cash remuneration

The fixed cash remuneration for executives shall be in line with the market level for corresponding jobs in the industry and be based on responsibilities, expertise and performance. The level of fixed cash remuneration is to be reviewed regularly, usually annually. The company may give the executive a temporary allowance linked to an executive position that will be discontinued upon leaving this position. The purpose of such allowance is to facilitate rotation of executives in and out of the company's executive team.

### Variable pay

The company may have a variable pay program (bonus program) for the executive management to ensure alignment between performance and remuneration. The objectives of the program shall be to encourage good results, increased shareholder value and strong execution of leadership, based on sustainable business operations in accordance with the company's values and ethical standards.

The variable pay program may be a combination of short-term and long term schemes. It should be based on clearly defined and measurable criteria which may be financial or non-financial. The objectives of the program should be clearly aligned with the company's business strategy and long-term interest as defined and governed through the performance management system. Earnings from variable pay schemes shall not exceed 100% of the fixed cash remuneration in a given calendar year. The earnings may be paid in cash or as shares in the company.

Payment of variable pay shall be conditional upon the executive's continuous employment for the full term of the variable pay program. Executives who retire or leave the company through a joint agreement, may be paid a pro-rated variable pay amount.

### *Annual variable pay scheme*

Aker Solutions' annual variable pay scheme shall give executives the possibility to earn variable pay upon meeting the targets set as part of the annual performance management process. Financial and non-financial objectives shall be defined on both corporate and segment/project/team levels and be used for the calculation of variable pay earning. Individual performance objectives may also be included in the assessment and calculation.

Objectives in the performance management system typically include:

- Profitability
- Cash generation
- Safeguarding of health and safety of employees

- Sustainability
- Improvement and transformation
- Organizational effectiveness and collaboration

#### *Long-term variable pay scheme*

A long-term variable pay scheme may be used to ensure long-term focus, consistent shareholder value creation and retention of executives. The scheme shall have objectives clearly linked to the company's strategy.

Objectives used for the long-term scheme typically include:

- Shareholder value creation
- Corporate improvement initiatives
- Sustainability

#### *Reclaiming of variable pay*

The variable pay schemes shall be subject to reclaim provisions to enable the company to claim back variable pay amounts paid to an executive if it is identified that the performance assessment or the calculation of variable pay was based on incorrect information provided by the individual or if the executive has engaged in gross misconduct or exercised materially imprudent judgement that has caused, or could have caused, harm to the company's operations.

#### *Share programs*

Executives may be offered to purchase shares in the company or in affiliated companies. Shares may be offered at a price reduction, or additional shares may be awarded, in exchange for accepting a defined lock-up period on the acquired shares.

#### *Pension and insurance*

Executive management should be included in the company's standard pension and insurance schemes on the same terms and conditions as ordinary employees. To ensure competitiveness the company may provide additional entitlements to executives that go beyond such collectively agreed schemes for pension, medical, group life and disability insurance.

#### *Other benefits*

Executive management may be given other benefits to ensure market competitiveness or to compensate an individual for a particular cost or situation. Such benefits shall represent a relatively low proportion of the overall remuneration package. Benefits may include, but are not limited to, areas such as accommodation, transport, education/training, travel cost, insurance, immigration and tax advisory services etc.

### **Remuneration in extraordinary circumstances**

Additional remuneration may be paid in extraordinary circumstances, provided that such extraordinary arrangements are made only at an individual level and with a view to either recruit or retain an executive, as compensation for extraordinary work beyond an individual's usual duties, or as part of a termination settlement. Such remuneration may not be paid in an amount exceeding 100% of the executive's fixed cash remuneration per year.

## Terms relating to termination of employment and severance pay

A mutual notice period of maximum 6 months shall apply to executives. Severance pay corresponding to a maximum of 6 months of fixed cash remuneration may be payable to executives if the company terminates the employment. Any earnings from new employment shall be deducted from such severance pay.

The company may choose to invoke a non-competition clause for an executive in cases where such a clause has been agreed. Severance pay and compensation paid during the non-competition period shall not be pensionable.

## Relation to the remuneration and employment terms for other employees

In preparing the executive remuneration policy, consideration was given to the salaries and employment terms of the company's other employees. To do this, the Committee and the Board of Directors took into consideration information concerning the employees' remuneration and remuneration components, as well as the rate of increase in remuneration over time, as part of their assessment of whether the guidelines are reasonable.

## Deviation from the guidelines

The Board of Directors may decide to deviate entirely or partly from the guidelines in individual cases provided that there are special circumstances that make such deviation necessary in order to satisfy the long-term interests of the company or to ensure the financial viability of the company. Deviations shall be described in the remuneration report produced for the tax year.

## Employment regulated by other than Norwegian rules

Executives whose employment arrangements are entirely or partly regulated by rules other than Norwegian rules may receive a level of remuneration or remuneration components that deviate from these guidelines. However, the total remuneration shall be relevant to support the company's business strategy, long-term interests and sustainability, and the terms shall be adapted to binding legislation, regulations and practice in the market concerned.