

Guidelines for the remuneration of senior executives

In accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act (PLLCA), the Board of Directors of Fjord1 ASA has prepared a statement on the determination of salary and other forms of remuneration to senior executives of the company. The General Meeting's approval of the guidelines is of an advisory nature to the Board of Directors. The approval of remuneration tied to shares or the future development of the price of the shares in the company or any other company within the group is, however, binding for the Board of Directors, cf. s. 5-6 (3), third sentence of the PLLCA, cf. s. 6-16a (2), fourth sentence.

Guiding principles

The remuneration scheme for senior executives includes a fixed yearly salary and the standard pension and insurance coverage for employees. The company have an incentive scheme for senior executives. The main purposes of the total remuneration scheme for senior executives is partly to ensure that key employees remain with the company over time, and partly to stimulate a strong and continuous profit-oriented culture that contributes to share price growth.

The variable element of the remuneration scheme is intended to promote the achievement of good results and governance in accordance with the company's values and ethical guidelines.

The plan is for the variable salary element to consist of three main elements. The first element is a cash bonus based on the achievement of individual goals. The maximum bonus will be a fee equal to the fixed salary for up to six months, half of which will be paid in cash.

The remaining two elements of the variable part of the remuneration system are described in the "*Binding principles*" section below.

The senior executives of the company are members of the collective pension and insurance scheme open to all employees. The collective pension scheme (defined contribution pension) applies for salaries up to 12 G (*G is the base amount of the Norwegian National Insurance Fund. As of 1 May 2018, 1 G equals NOK 96,883*). In addition, CEO Dagfinn Neteland has an individual agreement governing the right to pension contributions in excess of the collective scheme. Further information is provided in Note 17 to the financial statements for 2018 (consolidated accounts).

The company offers standard employment contracts and terms to all senior executives with respect to notice period and severance pay. Senior executives may be terminated on six months' notice. If the company terminates the employment of CEO Dagfinn Neteland, he is entitled to a 12-month severance payment at the end of the notice period.



Binding principles

As mentioned above, the variable part of the remuneration consist of a bonus payment based on achievement of individual goals, with 50 % of the achieved bonus to be paid in cash. The remaining part of any such bonus will be given in the form of Fjord1 ASA shares.

The third and final element of the incentive scheme for designated senior executives is an offer to buy Fjord1 ASA shares at a 20 % discount on the market price at the time of purchase, limited to a maximum number of shares equal to 50 % of the value of each individual executive's maximum potential bonus for the particular year.

Other variable parts of the remuneration are described in the "*Guiding Principles*" section above.

Information on share-related schemes for other (non-executive) employees

All permanent employees have the offer to purchase Fjord1 ASA shares at a 20 % discount on the market price at the time of purchase, limited to a total accumulated discount of NOK 3,000 per employee per year.

It is establish an incentive scheme for key employees. A bonus payment based on achievement of individual goals up to three months salary. It also offers to buy Fjord1 ASA shares at a 20% discount equal to maximum bonus payment.

The company does not offer share option programmes for its employees.

Previous financial year

The executive compensation policy for the fiscal year 2018 has been implemented in accordance with the above-mentioned information and the guidelines for 2019.

Executive Management of the company has in 2018 received a bonus according to the established bonus program. The company has not performed other bonus payment in 2018. As described above, all permanent employees have been given the offered to purchases Fjord1 ASA shares in 2018.

Please refer to Note 17 to the financial statements for 2018 (consolidated accounts) for a description of the remuneration of senior executives in 2018.

