

# Executive Remuneration Policy

*For approval by the Annual General Meeting on 26th May 2021*

## Introduction

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 Reach Subsea.

The guidelines have been prepared for approval by the Company's annual general meeting in 2021 and will apply until the Company's annual general meeting in 2025, unless amended or replaced earlier. 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. This remuneration policy is governed by the Board of Directors.

As of the date of these guidelines, the Company's senior executive management comprises of the Chief Executive Officer, the Chief Financial Officer, Chief Operations Officer and Chief Commercial Officer.

## Purpose and general remuneration principles

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 Reach Subsea to ensure that remuneration is competitive, fair, transparent, agile and cost efficient. Remuneration shall reflect the content and complexity of the executives' position as well as the performance of the individual.

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. Terms should be formulated to benefit the company's business strategy and long-term interests, including its lasting growth, sustainability and profitability, and contribute to long-term growth in shareholder value.

## Content of the remuneration package

The executive remuneration package may consist of fixed cash remuneration, variable pay, participation in the share option incentive program and the employee share program, pension, insurance and 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.

### 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. Such variable cash salary shall be evaluated and documented on an annual basis and approved by the Board of Directors.

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-based incentive programs

The Company has in place a share based long-term incentive program for the key employees including senior executives. In the Board of directors' view, an attractive share-based long-term incentive program form an important part of the total compensation for senior executives and allows the Company to retain and hire the key executives it needs for running the Company.

*Programmet må beskrives ved varighet om omfang*

### Pension and insurance

Executive management are be included in the company's standard pension and insurance schemes on the same terms and conditions as ordinary employees.

### 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 phone, education/training, travel upgrade cost etc.

## Terms relating to termination of employment and severance pay

A mutual notice period of maximum 3 months shall apply to executives.

Senior executives that are terminated by the company, does not entitle to benefits beyond salary during the notice period applicable for the number of months as prescribed in the Working Environment Act. The Chief Executive Officer has an agreement securing 12 months' pay after leaving the Company, under given circumstances.

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.