

# List of Signatures

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## Lederlønnsrapport RS ASA.pdf

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## Report on remuneration to the Board of Directors, CEO and Executive Management for Reach Subsea ASA in 2021

### 1.1 Introduction

This report describes Reach Subsea ASA's (the "Company", or "Reach") remuneration to executive management during the financial year 2021. The report shall provide relevant information in accordance with the requirements of the Public Limited Liability Companies Act (§6-16 a and b) and be presented to the General Meeting. In addition, the report is available on the company's website [www.reachsubsea.no](http://www.reachsubsea.no). The report includes Group Executive Management, which in addition to the CEO, counts three people as of the date of this report, and the Board of Director's fees.

### 1.2 Financial year 2021 summary

	2021	2020	2019	2018	2017
Revenue	686,601	628,030	508,531	675,265	360,155
EBIT	79,064	51,317	(16,322)	(3,985)	(27,486)
EBIT margin	12%	8%	-3%	-1%	-8%
Profit/loss for the year	93,806	43,103	(35,709)	(9,655)	(30,764)
Profit per share	0.65	0.31	(0.25)	(0.07)	(0.22)
Total assets	746,529	363,014	445,378	494,342	389,164
Equity	286,806	210,154	165,831	211,249	218,077
Equity ratio	0.38	0.58	0.37	0.43	0.56
Market value at 31 December	440,620	289,500	206,606	292,187	276,483
Market value per share at 31 December	3.04	2.02	1.44	2.04	1.93
Dividend paid per share	0.15	-	0.07	-	-
Cash and cash equivalents	149,035	105,396	38,657	63,277	98,954
Net working capital	57,745	25,078	32,446	54,907	35,166
Net interest bearing debt, excl IFRS 16 leases	(118,277)	(79,806)	2,582	2,176	(34,785)

### 1.3 Guidelines for management compensation

Guidelines for remuneration to the CEO and senior executives ("Guidelines") were approved by the Annual General Meeting in Reach Subsea 11.06.2021. The remuneration shall aim to stimulate a strong and sustainable result-oriented culture that contributes to increasing share values, in addition to provide incentives for good management and control of the company's risk and counteract excessive risktaking. Remuneration for all employees includes fixed salary, benefits in kind and pension and insurance schemes. Key employees have variable remuneration and participates in a share-based option program.

The Guidelines are reviewed annually to ensure compliance with the requirements of the Public Limited Liability Companies Act (§6-16 a and b) and the Regulations for guidelines for and reporting of remuneration to leading persons for public companies. The Guidelines are included as an appendix to this report, and are available on the Company's website.

The actual remuneration for 2021 has been, and the remuneration for 2022 will be, decided according to the Guidelines. This report includes disclosure of the actual remuneration for 2021 as required by the Public Limited Liability Companies Act (§6-16 a and b) and the Regulations for guidelines for and reporting of remuneration to leading persons for public companies.



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The Board of Directors does not have its own compensation committee, thus the Board of Directors as a whole follows up, discusses and recommends specific matters concerning the various remuneration elements. The Nomination Committee follows up matters related to the Board's remuneration and proposes remuneration for the coming year to the Annual General Meeting.

#### 1.4 The Board of Directors' follow-up of remuneration in 2021

The Board of Directors has reviewed the Guidelines for remuneration to the CEO and senior executives. The Board of Directors has further reviewed the remuneration to the CEO and senior executives to comply with the current guidelines. The Board has also reviewed this report to comply with the Public Limited Liability Companies Act (§6-16 a and b) and the new Regulations for guidelines for and reporting of remuneration to leading persons for public companies which became effective on January 1, 2021.

## 2. Remuneration to the CEO and Senior Executives 2021

### 2.1 Total remuneration for 2021 and 2020

Name, position	Financial year	1 Fixed remuneration		2 Variable remuneration		3 Pension expense	4 Total remuneration	5 Proportion of fixed and variable remuneration	
		Base salary	Fringe benefits	One-year variable	Extraordinary items			Fixed	Variable
Jostein Alendal, CEO	2021	1780	9	300	-	90	2180	86%	14%
	2020	1531	9	100	-	87	1727	94%	6%
Birgitte W. Johansen, CFO	2021	1559	9	300	-	82	1950	85%	15%
	2020	1327	9	100	-	85	1521	93%	7%
Bård Thuen Høghelm, CCO	2021	1559	9	300	-	82	1950	85%	15%
	2020	1327	9	100	-	80	1516	93%	7%
Inge Grutle, CDD	2021	1559	9	300	-	89	1957	85%	15%
	2020	1327	9	100	-	80	1516	93%	7%

- 1) Fixed remuneration includes base salary. Fringe benefits include free telephone and health insurance.
- 2) Variable remuneration includes bonuses to the executive management approved by the Board of Directors.
- 3) Pension expense is equal to the pension premium paid for each individual.
- 4) Total remuneration is the total of items 1)-3) above.
- 5) The proportion of fixed remuneration includes base salary, fringe benefits and pension expense relative to the total remuneration. The proportion of variable remuneration includes variable remuneration and extraordinary items relative to the total remuneration.

### 2.2 Share based remuneration

In 2021 the Board of directors of Reach Subsea ASA approved a stock option scheme to further align the interests of the participating employees in Reach Subsea with those of the shareholders. The stock option scheme was finalized with a signed agreement between the company and Management and certain key employees 15.12.2021. Management and certain key employees of the Reach Subsea group is granted the right to acquire up to a certain maximum number of shares in the Company at a fixed strike price ("the Option").

The options are vested with 1/3 each year, over a period of three years until 31.12.2024. The options are non-tradable and conditional upon the participant being employed by the Reach Subsea group at the vesting date. The stock option plan constituted a maximum of 3.000.000 options equivalent to a similar number of Reach Subsea ASA shares.



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The table below summarizes the amounts and terms of warrants for applicable executive management in 2021.

	The main conditions of share options plans					Information regarding the reported		
						Opening balance	During the year	Closing balance
	Specification	Award date	Exercise date	End of exercise period	Strike price of the share	Share options awarded at the beginning of the year	Share options exercised	Outstanding share options
Jostein Alendal, CEO	Warrants	Dec 2021		31.12.2024	3.00	-	-	450,000
	Value					-	-	
Birgitte W. Johansen, CFO	Warrants	Dec 2021		31.12.2024	3.00	-	-	450,000
	Value					-	-	
Bård Thuen Høghelm, COO	Warrants	Dec 2021		31.12.2024	3.00	-	-	450,000
	Value					-	-	
Inge Grutle, COO	Warrants	Dec 2021		31.12.2024	3.00	-	-	450,000
	Value					-	-	
						-	-	1,800,000

### 3. Exceptions from the remuneration guidelines and the procedures for implementation in 2021

Remuneration to the CEO and Senior Executives for 2021 has been decided based on the current guidelines as adopted by the Annual General Meeting 11.06.2021. The notice period for senior executives was on 2021 extended from 3 to 6 months. No other exceptions from the current guidelines have been identified.

### 4. Annual changes in remuneration to the CEO and Senior Executives and the Company's financial results

Name	Position	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017	2017 vs 2016
Jostein Alendal	CEO	26%	7%	1%	9%	13%
Birgitte W. Johansen	CFO	28%	10%	20%	4%	15%
Bård Thuen Høghelm	COO	29%	8%	11%	14%	20%
Inge Grutle	COO	29%	10%	20%	4%	15%

Company performance	2021	2020	2019	2018	2017	2016
EBIT	79,064	51,317	(16,322)	(3,985)	(27,486)	(14,279)
Profit/loss before taxes	73,046	43,103	(35,685)	(9,155)	(30,764)	(23,212)

Average total remuneration of employees - full time equivalent	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017	2017 vs 2016	
Average change in remuneration for employees excluding senior management	3%	14%	14%	0%	5%	
	2021	2020	2019	2018	2017	2016
Number of employees (full year equivalent) excluding senior management	105	101	91	115	96	84

### 5. Information about shareholder votes

The Company's current guidelines for remuneration to the CEO and senior executives were adopted by the Annual General Meeting in 11.06.2021.



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## 6. Remuneration to the Board of Directors and committees

Remuneration to the members of the Board of Directors, Audit committee and Nomination Committee is proposed by the Nomination Committee and approved by the Annual General Meeting.

The table below contains historical information about fees paid to those who were members of the board per 31 December 2021. The amounts are not annualized.

Name and title	Remuneration														
	2017			2018			2019			2020			2021		
	BoD fee	Sub-com fee	Total	BoD fee	Sub-com fee	Total	BoD fee	Sub-com fee	Total	BoD fee	Sub-com fee	Total	BoD fee	Sub-com fee	Total
Rachid Bendriss, chairman	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	145	35	180	325	36	361
Kåre Johannes Lie, board member	275	-	275	275	-	275	275	35	310	423	-	423	183	-	183
Anders Onarheim, board member	150	-	150	150	35	185	150	-	150	263	-	263	183	-	183
Martha K. Bakkevig, board member	150	-	150	150	35	185	N/A	N/A	N/A	100	-	100	183	-	183
Sverre B. Mikkelsen, board member	150	-	150	150	35	185	150	35	185	288	50	338	183	52	235
Kristine Skeie, board member	N/A	N/A	N/A	N/A	N/A	N/A	150	-	150	263	-	263	183	-	183
Ingunn Ø. Iveland, board member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	245	35	280	183	36	220

### DECLARATION BY THE BOARD OF DIRECTORS

The Board has reviewed and approved the report on remuneration to the Board and Executive Management for the year 2021. The report will be proposed to the Annual General Meeting 30.05.2022, for advisory vote.

Haugesund, 05.05.2022

/s/ Rachid Bendriss

/s/ Kåre Johannes Lie

/s/ Anders Onarheim

/s/ Martha Kold Bakkevig

/s/ Kristine Skeie

/s/ Ingunn Øvereng Iveland



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To the General Meeting of Reach Subsea ASA

## *Independent auditor's assurance report on report on salary and other remuneration to directors*

### *Opinion*

We have performed an assurance engagement to obtain reasonable assurance that Reach Subsea ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2021 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

### *Board of directors' responsibilities*

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

### *Our independence and quality control*

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### *Auditor's responsibilities*

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but





not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Stavanger, 5 May 2022  
**PricewaterhouseCoopers AS**

Arne Birkeland  
State Authorised Public Accountant

## erklæring lederlønn

### Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Birkeland, Arne	BANKID_MOBILE	2022-05-08 20:38

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