

GUIDELINES FOR DETERMINATION OF WAGES AND OTHER REMUNERATION FOR THE EXECUTIVE MANAGEMENT

For approval by the annual general meeting on 11 May 2023

1. About the guidelines

These guidelines have been prepared by the board of directors of AKVA group ASA ("**AKVA**" or the "**Company**") pursuant to Section 6-16a of the Norwegian Public Limited Companies Act, under which the board of directors is obliged to prepare guidelines for the determination of wages and other remuneration for the Company's Managing Director (the chief executive officer or "**CEO**") and other executive personnel, as well as employee representatives in the Company's board of directors.

The guidelines shall cover the determination of salary and other types of fixed and variable remuneration, including allocations of shares, options and other share-based incentives, pensions (including early retirement benefits) and severance pay, as well as any other variable element in the remuneration.

AKVA defines the persons within the executive management team as "executive personnel". As of 2023, this definition will include the following positions: CEO, CFO, CDO, COO Nordic, COO Land Based, COO International, COO Egersund Net, Director Communication & sustainability, and Global Director HR.

These guidelines were last approved in May 2021.

2. Guidelines for remuneration, variable pay and other benefits

2.1 The main principles for the company's executive personnel remuneration policy

The main principles for the Company's executive personnel remuneration policy are that the basic salary shall promote value creation in the Company, and consequently contribute to the common interests of the shareholders and the executive personnel. The basic salary shall not be of a type or size that may negatively affect the Company's reputation.

As the industry leader in our sector, AKVA is dependent on being able to offer salaries that enable AKVA to recruit the most able managers. It is the board's policy to employ the most competent managers by offering compensation packages that are competitive with those offered in other similar industries and in the international market.

The board of directors has established a remuneration committee, which shall prepare and propose these guidelines, and make recommendations to the board of directors with respect to the remuneration of the Company's CEO and other executive personnel. The remuneration committee consists of board members that are independent of all executive personnel, and the committee members do not receive compensation that is subject to these guidelines. The CEO proposes the various components of the executive remuneration and participates in discussions with the committee, but the final remuneration package is decided by the board of directors (which also is independent of executive personnel) upon a recommendation by the committee. The remuneration to the executive personnel is therefore designed and decided by persons that are independent of the executive personnel, and that have no personal or other interest in the final remuneration package.

2.2 Determination of salary

The Company's policy is that executive personnel salaries shall primarily be a fixed monthly salary, which reflects the responsibility and experience of each individual.

The base salary for the executive personnel consists of a fixed salary, which is individually stipulated. The fixed salary shall be determined based on the following criteria:

- Experience and competence
- Size of the Company
- Market conditions for the relevant position and individual

Variable compensation shall normally not exceed the fixed salary.

The board of directors decides the CEO's remuneration. The remuneration for the other executive personnel shall be determined by the CEO and reported to the board of directors.

Determination of remuneration for executive personnel shall follow the principles that apply for the Company's employees in general in respect of annual salary adjustments and time of adjustment.

2.3 Benefits

The Company grants benefits to executive personnel such as covering expenses for use of telecommunications and similar based on need. A company car can be considered based on need.

2.4 Bonus schemes and similar variable compensation

The incentive scheme for group management consists of two components:

- i) An annual bonus limited to between 30% and 50% of annual salary, depending on financial EBIT target (60%) and strategic KPI's (40%), payable in cash; and
- ii) a deferred incentive dependent upon certain vesting conditions, payable in shares, for the same period, as further detailed in clause 3 below.

The bonus criteria contribute to the Company's strategy, long term interests and financial sustainability by incentivising cash generation and achievement of strategic goals in a balanced way, and at the same time securing long term effects and retention.

The general bonus plan does not exclude discretionary bonuses.

According to the established bonus regime and agreed terms, an accrual of MNOK 7.7 is made in 2022 to the Group's executive personnel, based on the incentive scheme for 2022-2026 set out in item ii) above. The Company may, under certain conditions, demand and instigate a claw-back of paid variable remuneration.

2.5 Pension

The pension plans for the executive personnel shall be the same as those generally established for the employees in the Company. Early retirement pension agreements may be made with the executive personnel with a mutual right to demand retirement from the age of 62.

2.6 Other variable elements

There are no variable elements in the Company's remuneration of executive personnel apart from the bonus scheme described in clause 2.4, above.

2.7 Summary of the remuneration determination criteria and size of remuneration

Component	Purpose and link to strategy	Size of the award
<i>Executive Personnel</i>		
Base salary (inclusive of pension)	Recognises market value, the nature of the role in terms of scale, complexity and responsibility and the Executive Personnel members' experience, sustained performance and contribution.	Subject to annual remuneration review, it may change in the context of the individual's long-term performance, market pay positioning and consideration of the wider employee group.
Short-term incentive (STI)	Rewards the achievement of annual company goals guided by the long-term business strategy.	Up to 50% of base salary at maximum performance.
Long-term incentives (LTI)	Link executive remuneration to the achievement of long-term shareholder value creation and support the retention of the executives.	They are delivered through the Incentive Share Plan and the Stock Option Plan. The maximum number of shares that can be earned for the period the bonus plan applies, is 178 080 for the CEO and a total of 291 300 for the rest of the Executive Personnel members.
Benefits	Provide for the Executive Personnel members' health and welfare needs; certain benefits may be provided to support relocation if applicable.	As per the respective benefits policy and may vary at individual level.
<i>Board of Directors</i>		
Fixed fee	Attracts individuals with a broad range of experience and skills, rewards the Board members for setting strategy and overseeing its implementation.	Fixed fees are set to reflect market practice and the role of each member of the Board in terms of efforts and responsibilities.

2.8 Summary of agreements and arrangements for executive personnel

The Company does not have separate arrangements in place for the members of the executive personnel other than in the event of termination of employment, as set out below.

Arrangements upon termination of employment are regulated in the employment contract of the individual member of the executive personnel. The arrangements fall in three categories, depending on the respective person's position:

Level/tier	Notice period	Severance pay
Alternative 1 (only for the CEO)	Mutual notice of termination, 6 months' notice period	12 months' severance pay upon termination of employment. The severance pay is not subject deductions, save for the exceptions described below.
Alternative 2	Mutual notice of termination,	6 months' severance pay upon

(6 persons)	6 months' notice period	termination of employment. The severance pay is not subject to deductions, save for the exceptions described below.
Alternative 3 (two persons)	Mutual notice of termination, 3 months' notice period	None

Severance pay agreements allow for deductions in certain limited circumstances, i.e. in case of a material breach of the employment agreement or for income from a competing business.

The Company may not instigate a claw-back of severance pay.

3. Guidelines for share-based incentives

3.1 Compensation linked to shares or the price of the shares in the company

The executive management will participate in a share-based incentive plan (the "**Incentive Plan**") under which they will receive a grant of shares that will vest, and shares will be transferred to participants, annually for a period of between three and five years after the Incentive Plan becomes effective. The annual share grants are subject to certain conditions being fulfilled, including that the employee remains employed by the Company, that the Company shows a positive EBIT for the relevant year, and that no breach of covenants has occurred and is existing under the Company's external loans or debt facilities for the relevant year and at the time the grant is vesting. The shares granted under the Incentive Plan will be subject to lock-up arrangements, customary leaver conditions, a change of control trigger clause and other terms set out in the Incentive Plan.

A total of net shares 262 674 (or gross 499,380) shares will be allocated under the Incentive Plan.

The maximum gross number of shares that can be earned for the period the bonus plan applies, is 178 080 for the CEO and a total of 321 300 for the rest of the management team, as further detailed in the table below:

Function	Maximum annual share allocation*	Duration	Period
CEO	44 520	4 years	2022-2025
CFO	22 260	5 years	2022-2026
COO Nordic	10 000	3 years	2022-2024
COO Egersund Net	10 000	3 years	2022-2024
COO International	10 000	3 years	2022-2024
COO Land Based	10 000	3 years	2022-2024
CDO	10 000	3 years	2022-2024
Director Communication and Sustainability	10 000	3 years	2022-2024
Director HR	10 000	3 years	2022-2024

*Upon allocation, the number of shares allocated will be net after tax (marginal tax rate in 2022 is 47,4%)

If the conditions for share grants are met, the members of the executive personnel receive the number of shares set out in the table above.

As the share price and non-share based remuneration fluctuate, the proportionate amount of the annual compensation to the executive personnel which is paid out as share-based incentives will vary. As per 31 December 2022, the share-based incentives before tax constituted appr. 80% of the total annual compensation for the CEO, and on average appr. 36% of the total annual compensation to the rest of the executive personnel, ranging between 26% and 56% for the respective members.

Shares allocated to the executive personnel following the end of the vesting period are subject to a lock-up period of one year from the date of the end of each respective person's vesting period.

In case of a takeover and delisting of the Company during the performance period as set out above, the maximum number of shares shall vest and be transferred to the respective members of the management before completion of such takeover.

3.2 Option agreement – additional arrangement for CEO

On August 25, 2022 AKVA replaced the previous option agreement with Mr. Knut Nesse which was entered on August 26, 2019. The grant of the new stock option replaces the previous option agreement, which in its entirety, without any additional rights or obligations for any parties, is considered annulled. The new option agreement gives him a right to acquire 80 000 shares for NOK 70.00 per share. The option can be exercised in the period from April 1, 2025 to August 31, 2025, conditional on the CEO being a member of the board of or employed in AKVA group or in one of its subsidiaries. The options can also be exercised prior to the said period if a takeover offer is made and completed, resulting in a change of control in the Company. The Company can settle the options by issuing new shares, deliver own shares (treasury shares) or paying cash compensation equal to the difference between the strike price and the market price for the Company's shares at the time of exercise.

4. Annual remuneration report

Pursuant to Section 6-16b of the Norwegian Public Limited Liability Companies Act, a report on salaries and other remuneration to executive personnel and the board will be presented at the annual general meeting. The report shall be made available on the Company's website.

5. Deviation from the guidelines

The board may decide to deviate entirely or partly from the guidelines in individual cases on a temporary basis, 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. Any such deviation shall be decided only upon a positive recommendation from the remuneration committee, and prior to any such decision the board shall receive information about the consequences for any approved budget and/or financial projections and the expected impact on the Company's profit and loss account and balance sheet, if any.

6. Board remuneration

The annual general meeting each year determines the remuneration to the board, based on the nomination committee's proposal. The board's remuneration shall reflect the board's responsibilities, expertise and use of time, and the complexity of the business. The board's remuneration is not dependent on the Company's results, and no share options or other equity-based incentives are offered to board members.

Board members elected by the employees each receive an annual compensation of NOK 53 300, which is paid out on a quarterly basis.

7. Approval of the guidelines

These guidelines shall be presented to the general meeting for consideration and approval at least every fourth year, and in any case in the event of any significant modifications. These guidelines shall be made available on the Company's website.