

Policy on remuneration to the executive management of Akastor

General – Legal notice

This policy has been prepared by the board of directors of Akastor ASA ("Akastor") on March 25, 2022 in accordance with the Norwegian Public Limited Liability Companies Act section 6-16a. The policy contains guidelines and main principles for the company's remuneration to its executive management, which in the view of the board will support the company's business strategy and long-term interests.

This policy is aimed to be compliant with the recommendations issued by the Norwegian Corporate Governance Board (Norwegian abbreviation: NUES)¹⁾, which is the commonly used guideline for good corporate governance for Norwegian companies listed on regulated markets.

Additionally, as the Norwegian state is amongst our largest shareholders²⁾ we have also looked to the State's Guidelines for the Remuneration of Senior Executives in Companies with State Ownership³⁾. It is the company's view that this policy generally meets the general and specific expectations set out in the State's Guidelines, save only for a very few of the specific expectations. Most notably, this policy deviates from the expectation that the maximum achievable bonus shall not exceed 50% of the fixed salary. As set out below, the cap on maximum achievable bonus for Akastor executive management is set to 100% of the fixed salary. With due consideration to the nature of Akastor's operations as an investment company, where it is considered particularly important to retain and incentivize key personnel, as well as benchmarking with other compatible companies, the board considers that the bonus cap is reasonable and appropriate.

Approval process

This policy has been prepared as a separate document to be presented and processed at the company's annual general meeting to be held April 20, 2022. When approved, this policy replaces the previous policy that was approved at the annual general meeting April 15, 2021.

Any deviations from these guidelines shall be approved by the board of directors of Akastor ASA, and the reason for such deviations shall be included in the minutes of the board meeting. Any substantial change to the guidelines and principles for the remuneration to the executive management shall be presented and explained by the board and approved by the general meeting of the company. The policy shall in any case be reviewed and approved by the general meeting every fourth year. The guidelines approved by the general meeting shall immediately be published on the company's website.

General on executive remuneration in Akastor

The main purpose of the executive remuneration is to encourage a strong and sustainable performance-based culture, which also supports growth in shareholder value. It is also considered important to provide competitive terms that help to retain key personnel and executive management and in turn mitigate the risk that core qualification and experience is lost by key people leaving the company.

The corporate group of Akastor is a relatively small group of experienced corporate personnel that ensures that key corporate functions are maintained and also that portfolio companies and assets are duly followed-up. Following recent year's transactions, Akastor's current and future operations will focus more and more on making value enhancing investment decisions and where the combination of industry experience and investment competence that its corporate personnel holds will be of key importance. On this background, the company is vulnerable to personnel turnover

and retention mechanisms are considered important mitigating measures to avoid key personnel leaving the company (see section below "Retention through Company Matching").

As of December 31, 2021, the senior executive management is considered comprised by the company's CEO and the CFO.

All personnel are employed under standard employment contracts with terms and conditions consistent with industry standard, including on issues such as notice period and severance pay in the event of termination. In accordance with statutory law, the company may request the resignation of the CEO at its own discretion, but will be obliged to pay severance payment in the amount of 6 months' salary from the expiry of the notice period.

Compensation to the executive management has a fixed element which includes a base salary which pursuant to the company's benchmarking is competitive with other investment companies. In addition, the executive management has variable remuneration, as further described in this policy. All variable pay shall be subject to a cap. There is no additional compensation for board directorships in subsidiaries or affiliated companies. If such compensation is payable, it shall be paid to the employer of the director and not to the director personally.

The remuneration to the CEO is recommended by the chairperson of the board and approved by the board of directors on an annual basis. The remuneration to the remaining executive management shall be approved by the CEO, in consultation with the chairperson of the board, and informed to the board of directors of Akastor ASA on an annual basis. The same principles for executive wage settlement will be applied in 2022 and forward.

Benefits

The executive management participates in the standard employee, pension and insurance plan applicable to all employees in the company. No executive personnel in Akastor has performance-based pension plans and there are no current loans, prepayments or other forms of credit from the company to its executive management. No members of the executive management are part of any option- or incentive programs other than what is described in this policy.

Share purchase programs

The company currently has no share purchase programs. However, as detailed below, the company has a retention program with Company Matching, which is a retention bonus which shall be paid partly or fully in Akastor shares.

Performance based remuneration

In addition to receiving a fixed compensation, the executive management (as well as other members of the corporate organization) participates in a variable pay program. The objective of the program is to incentivise the management to contribute to sound financial results for the company, recruit and retain key personnel as well as executing leadership in accordance with the company's values and business ethics.

The potential payment under the variable pay program is set individually, with 100 percent of the annual base salary as the maximum.

¹⁾ The Norwegian Code of Practice for Corporate Governance issued October 14, 2021, section 12.

²⁾ 12.08% of the shares are owned by the Norwegian Ministry of Trade and Fisheries as of 31.12.2021.

³⁾ Stipulated by the Ministry of Trade, Industry and Fisheries on April 30, 2021.

Determination of the bonus will be based on a fully discretionary assessment and an overall view on achievement of certain business targets relating to:

- Financial targets
- Operational targets
- Strategic targets
- Share Price development

The detailed targets are set annually after being proposed by the CEO and approved by the Akastor board. The targets set are specific and measurable and aimed to support the overall target to create shareholder value. Since many of the targets are closely linked to Akastor's investment strategies and targets, both short and long-term, the targets are largely of business confidential nature and cannot be disclosed in public.

Payment under the program based on target achievement is recommended by the CEO and approved by the board on an annual basis in conjunction with review and approval of the annual financial results (normally in February).

Retention through "Company Matching"

In order to strengthen retention of key personnel, the variable pay program to certain executives (including the CEO and CFO) has recently been subject to certain adjustments where a "Company Matching" element has been introduced. The method for "Company Matching" consists broadly of the following:

- a) 50% of the annual variable payment/bonus awarded to each participant is paid shortly after it has been approved by the board, whilst the remaining 50% is withheld by the company and only paid after two years (the latter 50% being referred to as the "Deferred Amount"); and
- b) Provided that the participant still is an employee at time of payment of the Deferred Amount (i.e. after two years), the company shall pay Company Matching, which is an amount equal to the Deferred Amount.

The Company Matching may be paid partly or fully in shares in Akastor. Specific terms on payment of Company Matching in shares, including such a minimum % proportion, discount and lock-up, is at the full discretion of Akastor and will be advised to the participants well in advance of payment of the Company Matching.