Remuneration Report 2021

The remuneration report describes the remuneration of the board and the executives.

The remuneration report is published in accordance with section 6-16a in the Norwegian Public Limited Liability Companies Act. The board of directors has overall responsibility for reviewing the remuneration report. The remuneration report will be presented for an advisory vote at the Annual General Meeting.

1. Remuneration of the Board

The remuneration of the board is a fixed annual fee. There is no pension scheme, termination payment agreements, share option or other remuneration from Solstad Offshore ASA (“Solstad” or “the Company”) to any of the members of the board. The General meeting approves the remuneration of the board and election committee. All information about remuneration to individual board members is provided in note 10 of annual report.

2. Remuneration the Executives


**Base salary**

The remuneration of CEO is reviewed and determined by the Board and EMT remuneration is reviewed and determined by the CEO. The base salary is reviewed annually and follows principles of role, responsibility, individual considerations, market, and general remuneration conditions of the Company.

**Pension contribution**

Pension is based on a defined contribution plan for the Company. It is capped at twelve times the National Insurance Scheme Basic Amount (12 G) for all employees as per local practice (including the executives).

**Variable pay – Bonus**

The company’s executive bonus system is designed to promote performance in line with the company’s strategy. The variable salary is determined by the company’s performance on a pre-defined set of key performance indicators (KPIs) and is linked to the Company Priorities, defining clear deliverables that are critical for the company’s future success.

The final bonus outcome, following the assessment of performance to targets is specifically reserved as a matter for Board of Directors. Accordingly, the Board of Director may exercise its discretion for bonus payments. For 2021, the CEO has reached bonus of MNOK 1 430. For CFO and COO, the reached bonus is 60 % of base salary. For 2021, the bonus is paid out in March 2022. The company priorities is linked to achieving the long term plan of the company.

**Other variables**

The CEO has 6 months mutual notice period. CFO have 12 months’ notice period if the Company ends the Employment Contract and 3 months individual Notice Period if CFO resigns. Other executives have mutual 3 to 6 months’ notice period.

The Chief Executive Officer has a right to subscribe 5,038,187 shares in the Company with an exercise price of NOK 2,80 per share. The subscription right expires 20.10.2023.

CEO has a car benefit. All executives receive non-monetary benefits such as phones and travel and health insurance aligned with local practice.

<table>
<thead>
<tr>
<th>Fixed remuneration</th>
<th>Variable</th>
<th>Proportion of variable remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2021 (1,000 NOK)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lar Peder Solstad (CEO)</td>
<td>5,313</td>
<td>157</td>
</tr>
<tr>
<td>Kjetil Ramstad (CFO)</td>
<td>2,245</td>
<td>12</td>
</tr>
<tr>
<td>Tor Johan Tveit (COO)</td>
<td>1,609</td>
<td>12</td>
</tr>
</tbody>
</table>
3. Overview of executive personnel remuneration, average employee remuneration and company performance

Annual change in NOK 1,000 and percentage:

<table>
<thead>
<tr>
<th>Remuneration</th>
<th>2021 - 2020</th>
<th>2020 - 2019</th>
<th>2019 - 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NOK</td>
<td>%</td>
<td>NOK</td>
</tr>
<tr>
<td>Lars Peder Solstad (CEO) ¹</td>
<td>2,146</td>
<td>44 %</td>
<td>2,351</td>
</tr>
<tr>
<td>- Variable proportion (CEO)</td>
<td>-859</td>
<td>-38 %</td>
<td>2,289</td>
</tr>
<tr>
<td>Sven Stakkestad (Deputy CEO) ²</td>
<td></td>
<td></td>
<td>78</td>
</tr>
<tr>
<td>Kjetil Ramstad (CFO) ³</td>
<td>80</td>
<td>2 %</td>
<td></td>
</tr>
<tr>
<td>Anders Hall Jomaas (CFO) ⁴</td>
<td></td>
<td></td>
<td>193</td>
</tr>
<tr>
<td>Tor Inge Dale (COO) ⁵</td>
<td></td>
<td></td>
<td>754</td>
</tr>
<tr>
<td>Average remuneration onshore organization ⁶</td>
<td>23</td>
<td>4 %</td>
<td>-48</td>
</tr>
</tbody>
</table>

¹The CEO terms and conditions was evaluated post financial restructuring and fixed salary was increased from 20.10.2020.
²Deputy CEO until 30.09.2020
³CFO since 01.06.2020
⁴CFO until 31.05.2020
⁵COO until 31.03.2021
⁶Average remuneration onshore organization is based on average taxable salary. Exchange rates to NOK for all years based on 31.12.2021 for following GBP: 11,8875, SGD 6,5376, BRL 1,583, AUD 6,3969, EUR 9,9888, USD 8,8194. Solstad Offshore ASA has merged with several companies and historical payroll data from pre-2018 is not considered relevant.

Annual change in NOK 1,000 and percentage:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NOK</td>
<td>%</td>
<td>NOK</td>
</tr>
<tr>
<td>Revenue</td>
<td>391,870</td>
<td>8 %</td>
<td>-219,251</td>
</tr>
<tr>
<td>EBITDA adjusted ⁷</td>
<td>251,753</td>
<td>20 %</td>
<td>-128,486</td>
</tr>
</tbody>
</table>

⁷EBITDA Adjusted - Operating result before depreciation and impairment, adjusted for excess values charter parties from mergers, operating leases and other non-cash related items.
To the General Meeting of Solstad Offshore ASA

INDEPENDENT AUDITOR’S ASSURANCE REPORT ON REMUNERATION REPORT FOR SOLSTAD OFFSHORE ASA FOR THE FINANCIAL YEAR 2021

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Solstad Offshore ASA’s 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 in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants’ International Code of 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.

Bergen, 10th May 2022
ERNST & YOUNG AS

This document is signed electronically

Øyvind Nore
State Authorised Public Accountant (Norway)
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Øyvind Nore  
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