



# Remuneration Report 2022





# Remuneration Report 2022

## 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 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 of the Executives

The remuneration of Executives in 2022 is in accordance to the Remuneration Guidelines made available on the Company website, [www.solstad.com](http://www.solstad.com).

### 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. The KPI related to financial achievement is based on the group's EBITDA.

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 Directors may exercise its discretion for bonus payments. For 2022, the CEO has reached bonus of NOK 1,581,770. For CFO and COO, the reached bonus is 36% of base salary. For 2022, the bonus is paid out in March 2023. 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.

2022 (1,000 NOK)	Fixed remuneration		Variable	Pension cost	Total remuneration	Proportion of variable remuneration
	Wages	Other benefits	Bonus			
Lars Peder Solstad (CEO)	5,818	167	1,582	117	7,684	21 %
Kjetil Ramstad (CFO)	2,320	14	1,392	111	3,837	36 %
Tor Johan Tveit (COO)	1,955	14	1,173	112	3,253	36 %

2021 (1,000 NOK)	Fixed remuneration		Variable		Total remuneration	Proportion of variable remuneration
	Wages	Other benefits	Bonus	Pension cost		
Lars Peder Solstad (CEO)	5,313	157	1,430	109	7,009	20 %
Kjetil Ramstad (CFO)	2,245	12	1,318	104	3,679	36 %
Tor Johan Tveit (COO)	1,609	12	965	105	2,691	36 %

### 3. Overview of executive personnel remuneration, average employee remuneration and company performance

Annual change in NOK 1,000 and percentage:

Remuneration	2022 - 2021		2021 - 2020		2020 - 2019		2019 - 2018	
	△ NOK	△ %	△ NOK	△ %	△ NOK	△ %	△ NOK	△ %
Lars Peder Solstad (CEO) <sup>1</sup>	675	10 %	2,146	44 %	2,351	94 %	83	3 %
- Variable proportion (CEO)	152	11 %	- 859	-38 %	2,289	-		
Sven Stakkestad (Deputy CEO) <sup>2</sup>							78	3 %
Kjetil Ramstad (CFO) <sup>3</sup>	158	4 %	80	2 %				
Tor Johan Tveit (COO) <sup>4</sup>	562	21 %						
Anders Hall Jomaas (CFO) <sup>5</sup>							193	10 %
Tor Inge Dale (COO) <sup>6</sup>					754	38 %	80	4 %
Average remuneration onshore organization <sup>7</sup>	86	13 %	23	4 %	- 48	- 7 %	- 28	- 4 %

<sup>1</sup>The CEO terms and conditions was evaluated post financial restructuring and fixed salary was increased from 20.10.2020.

<sup>2</sup>Deputy CEO until 30.09.2020

<sup>3</sup>CFO since 01.06.2020

<sup>4</sup>COO since 01.04.2021

<sup>5</sup>CFO until 31.05.2020

<sup>6</sup>COO until 31.03.2021

<sup>7</sup> Average remuneration for onshore organization is based on average taxable salary.

Exchange rates to NOK for all years before 2022 is 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. Exchange rates to NOK for 2022 is based on 31.12.2022 GBP 11.8541 SGD 7.3523 BRL 1.8646 AUD 6.6997, EUR 10.5138 USD 9.8573

Annual change in NOK 1,000 and percentage:

Company performance	2022 - 2021		2021 - 2020		2020 - 2019		2019 - 2018	
	△ NOK	△ %	△ NOK	△ %	△ NOK	△ %	△ NOK	△ %
Revenue	1,082,631	20 %	391,870	8 %	-219,251	- 4 %	334,786	7 %
EBITDA adjusted <sup>1</sup>	403,644	26 %	251,753	20 %	-128,486	- 9 %	406,071	40 %

<sup>1</sup>EBITDA Adjusted - Operating result before depreciation and impairment adjusted for Joint Ventures, Associated Companies, excess values charter parties from mergers, leases and other non-recurring items

## **INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT FOR SOLSTAD OFFSHORE ASA FOR THE FINANCIAL YEAR 2022**

To the General Meeting of Solstad Offshore ASA

### **Opinion**

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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 2022 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**

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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**

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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**

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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, 30 March 2023  
ERNST & YOUNG AS



Øyvind Nore  
State Authorised Public Accountant (Norway)