

Declaration on the fixing of salaries and other remuneration for executive management

Decided by the General Assembly for Odfjell SE on May 3. 2023

1 Purpose

These guidelines are set by the Board of Odfjell SE («the Company») in accordance with the Norwegian Public Limited Liability Companies Act § 6-16a and Regulations on guidelines and report on remuneration for senior executives.

Executive compensation is an important tool in aligning the interests of the Company with the interests of executive management. Shareholders are therefore given influence over executive pay at the Company through the publication and approval of these guidelines. General principles are that the executive pay is suitable for attracting and retaining skilled executives, without being industry leading in pay, and without the variable compensation constituting such a large proportion of the total compensation that it can provide unfortunate incentives and short-term focus.

2 Scope

These guidelines are for leading persons of the Company as defined by the Norwegian Public Limited Liability Companies Act § 6-16a. For the Company, this includes the Executive Management of the Company and Company employee board members. Remuneration of employees other than to the members of Executive Management is not covered by these guidelines.

The Company has established a remuneration policy that will generally stimulate goal achievement and at the same time promote good risk management, counteract excessive risk-taking and help avoid conflicts of interest. The Company's long-term interests and financial sustainability must be safeguarded. In general, the remuneration policy also applies that it must be based on equal pay for male and female employees for equal work or work of equal value. The Company's remuneration shall be competitive, but not compensation leading. The Company conducts annual reviews of the practice of the remuneration scheme, and the Company's written report is reviewed by independent control functions.

3 Remuneration committee

A remuneration committee has been founded consisting of three Board members that collaborates with the administration and advises the Board related to executive remuneration.

4 Details of remuneration that may be granted to or received by leading persons

4.1 Remuneration for members of the Board

Remuneration for members of the Board is annually proposed by the Nomination Committee. The remuneration includes board fees as well as fees associated with the Audit Committee, the Nomination Committee, and the Remuneration Committee. General principles are that the Board members' fees are suitable for attracting and retaining qualified and skilled Board members, without being industry leading.



4.2 Executive remuneration

Regarding remuneration of the Company's senior executives, the Company predominately attributes weight to annual base salary and uses variable remuneration to a limited extent. The remuneration to senior executives includes:

- **Base salary:**

Base salary is determined on the basis of the position's accountability, complexity and competence.

- **Other remuneration:**

Pension plans:

The Company has a defined contribution plan in accordance with the Mandatory Pension Plan Act. For the Executive Management the Company has an additional pension scheme covering salary over 12G, capped to 18G. This implies that 16% of the salary basis between 12G and 18G is covered in this additional scheme. The scheme is secured by payments to a secured bank account.

Severance Pay:

Only the CEO, of the Executive Management, has a defined agreement with regard to severance pay. In case the Company terminates the employment, the CEO is, in addition to payment of salary and other remuneration during the notice period, also entitled to 6 months' base salary. Agreed notice period from the Company is 12 months for CEO and 6 months for the rest of the Executive Management.

Other applicable benefits:

Executive management may be granted additional variable benefits customary in the industry for comparable roles, such as covered phone, broadband subscription, car allowance and disability pension insurance.

Options and other forms of remuneration tied to stock or stock price development:

The Company does not run any share option schemes, nor other benefit programs as mentioned in the "Regulation on guidelines and report on remuneration to management employees", section 2 subsection 1 no. 3. The Annual General Meeting on 9 May 2016 approved a new Long-Term Incentive Plan (LTI) / Performance Restricted Share

The total number of Restricted Shares (RS) available for awards under the Plan shall annually be distributed with a three-year restriction period in accordance with the rules of the Plan. The Participants will receive a cash amount up to 50% of annual base salary for the CEO and up to 33% of annual base salary for the other members of the executive management, where the net amount after withholding tax shall be used to purchase RS in Odfjell.

The number of awarded RS depends on the achievement of certain Key Performance Indicators (KPIs). These KPIs have been derived from strategic goals and consist of Share Price development, Return on Capital Employed (ROCE) and a discretionary element to be assessed by the Board at year end.

- **Result-based pay:**

The Board has implemented a short-term performance-related incentive scheme for all on-shore employees which is linked to the Company's earnings performance and defined operational goals over time and contains a cap of maximum six months' salary for Executive Management. If the performance-related incentive scheme does not meet trigger points for payments, the Board may on a discretionary basis grant recognition payment for certain employees including Executive Management.

- **Stock option programs:**

The company does not have stock option programs.



- **Right to reclaim variable remuneration:**

Related to the LTI plan described above, the Board or Committee is entitled to claim reimbursement to the Company of RS's awarded to the Participant if during a term of three years following the Award, (a) the Award was granted upon achievement of financial or other financial results there were subsequently restated or corrected, and (b) the Participant from whom such reimbursement is sought, engaged in misconduct or fraud that caused or partially caused the restatement or correction, and (c) a lower Award would have been calculated for the Participant upon restated or corrected results.

5 Annual remuneration report

The Board of Directors shall, for each financial year, ensure that a salary report is prepared which provides a comprehensive overview of paid and outstanding salaries and remuneration included in these guidelines. Before the salary report is considered by the General Meeting, the auditor shall control that the salary report contains the information required by current regulations. The General Meeting shall hold an advisory vote on the salary report. The salary report for the following year shall account for how the result of the previous General Meeting's vote has been taken into account.

6 Deviations from these guidelines

In extraordinary cases, the Board of Directors may, in connection with significant corporate events that require extraordinary efforts by executive managers, decide to deviate from these guidelines. The justification for such a deviation must be objectively motivated in view of the shareholders' common interest in retaining and incentivizing key persons in extraordinary situations.

Deviations must be considered by the Board of Directors as necessary in the relevant situation and for the relevant employee. Any deviation shall be justified in writing and appear in the annual salary report which is submitted to the General Meeting for an advisory vote the following year. The Board of Directors may not deviate from the guidelines regarding remuneration of board members. Such deviations would have to be proposed and presented to the General Meeting for a general vote.

7 Changing the guidelines

In the event of a change in the guidelines, significant changes must be described in new updated guidelines approved by the General Assembly. In the event of changes, the Company shall take into account the shareholders' views and vote on the guidelines. The guidelines shall be submitted to the General Assembly for approval at least every four years.

8 Publication

These guidelines shall be dated the day of the General Meeting's approval and shall be made available on the Company's website together with the result of the vote.