

## Note 14 Declaration on the determination of salary and other remuneration paid to senior employees

### THE BOARD'S DECLARATION

The Board of Grieg Seafood ASA has appointed a dedicated Remuneration committee; whose remit is to advise the Board on all matters pertaining the Company's compensation to the CEO and other incentive schemes for managers.

The Board determines the salary and other remuneration paid to the CEO and approves remuneration schemes involving the granting of options to managers. The Board adopts guidelines and principles used to determine salaries and other remuneration paid to key personnel.

### MAIN PRINCIPLES OF THE GROUP'S REMUNERATION POLICY

Grieg Seafood ASA's performance is contingent on the Group's ability to recruit and retain the highest qualified and most motivated employees.

Grieg Seafood ASA's remuneration policy is based on the principle that the Group shall offer its employees competitive compensation terms in accordance with local industry standards. Where appropriate, this may include incentive elements, where the basic salary shall reflect individual performance.

The Group runs performance-related bonus schemes for its employees. The Remuneration committee determines the bonus basis each year.

### PRINCIPLES FOR REMUNERATION

#### FIXED BASIC SALARY

Remuneration for the management team must be competitive. The basic salary, which is determined by reference to job descriptions, competence levels, qualifications and seniority, comprises the main portion of management remuneration and consists of a fixed basic element and other fixed remuneration elements such as a fixed car allowance and similar benefits.

#### ADDITIONAL BENEFITS

##### Bonus scheme

The Group has an annual bonus scheme based on a combination of earnings and personal performance targets. The bonus scheme incentivises employees to make continuous improvements in operations and the Group's profitability. The CEO has an annual maximum bonus of six times the monthly salary, while other Group managers can earn a bonus up to a maximum of five times salary.

##### Pension schemes

All the Norwegian Group subsidiaries comply with the Act relating to mandatory occupational pensions. The Group only operates defined contribution pension schemes. Foreign

subsidiaries comply with their respective jurisdictions pertaining to employee pension schemes. The Group managers are members of the Group's collective defined contribution pension scheme. As well as participating in the Company's ordinary defined contribution pension scheme, the CEO has a separate salary compensation agreement for pension benefits exceeding 12G.

### Options

A synthetic option scheme (hereafter referred to as a "cash option") for the Company's management group was established in 2009. The cash options scheme requires participants to directly own shares throughout the entire programme period. Employees who are entitled to the options are required to use 50% of the net gain under the scheme to purchase shares until the ownership corresponds to 100% of their fixed annual salary. The gain under the cash option scheme cannot exceed 12 times the monthly salary per participant per year. The exercise price is increased by 0.5% each month. An option must be exercised no later than 24 months after the initial exercise date. At the year-end, the cash option scheme corresponded to a total of 2 376 044 shares, after the awarding of 1 800 000 options in 2017. The final exercise date for options awarded in 2017 is 31 May 2021.

### Severance pays

The Group limits the payment of severance pay, though has paid such remuneration in specific cases. The CEO is entitled to a separate severance pay agreement in case of termination of employment comprising 12 months' rolling severance pay calculated from the termination date. The termination date is deemed to be end of the notice period. The CEO has a period of notice of six months. The CFO and COO are entitled to 12 months' severance pay from the termination date or date of change of position/employment. For other employees, individual contracts of employment apply, essentially based on conditions in the Norwegian Working Environment Act.

### Benefits in kind

Managers are normally granted benefits in kind typical for similar positions, such as a free newspaper, telephone and internet connection.

## GUIDELINES FOR DETERMINATION OF REMUNERATION PAID TO THE GROUP MANAGEMENT

### INTRODUCTION

For details about remuneration paid to individual employees, please refer to the notes to the financial statements.

For information about remuneration paid to Group management, see Note 15.

For more information about options, see Note 16.

### DETERMINATION OF SALARY PAID TO THE CEO

Remuneration paid to the CEO is determined each year by the Remuneration committee on the mandate of the Board.

## DETERMINATION OF SALARY PAID TO GROUP MANAGEMENT AND REGIONAL MANAGERS

Remuneration paid to other Group managers and regional managers are determined by the CEO in consultation with the Remuneration committee.

The Board should be informed about the decision afterwards.

## DETERMINATION OF INCENTIVE SCHEMES

The Remuneration committee evaluates the options scheme and the exercise allocation within the framework of the AGM.

Other incentive schemes, including bonus schemes, are determined by the Board. The Remuneration committee determines the minimum performance level for the bonus each year and informs the Board accordingly. The CEO awards incentive schemes and other benefits to Group management and regional managers within the framework of programs adopted by the Board.

## DETERMINATION OF REMUNERATION PAID TO MANAGERS IN OTHER GROUP COMPANIES

Subsidiaries of the Group must comply with the main principle of the Group's management remuneration policy, as described under the main principles.

## BOARD REMUNERATION

Compensation paid to Board members is not performance-related. The Board members have not been granted options. Compensation paid to the Board is determined by the Annual General Meeting.

Bergen, 11 April 2019

The Board of Grieg Seafood ASA