

GUIDELINES FOR REMUNERATION OF EXECUTIVE MANAGEMENT 2022

These guidelines for remuneration of Executive management are prepared by the Board of Directors of Vår Energi ASA in accordance with section § 6-16a of the Norwegian Public Limited Liability Companies Act for approval by the ordinary general meeting as set forth in the Norwegian Public Limited Liability Companies Act Section 5-6 (3).

The guidelines apply to the CEO and members of the Executive management who report directly to the CEO, currently a total of 11 employees (Executives). Two of the members of the Executive management team are employed by ENI SPA and have separate arrangements with regards to compensation and benefits.

Currently, the Company's bonus schemes including the Long Term Incentive (LTI) model are under review. Company performance criteria, target and maximum levels, Key performance indicators (KPIs) as well as eligibility are subject to evaluation and adjustments and are planned to be implemented during 2022.

To successfully implement the strategy and safeguard the long-term interests of the Company, the Company needs to be able to recruit, develop and retain Executives with relevant experience, expertise and advanced leadership skills. These guidelines and processes and control mechanisms set forth herein, seeks to ensure that these goals are reach by the company.

On this background, the Company must seek to offer its Executives terms that provide motivation and are in line with market levels, and that are also well-balanced and reasonable based on the executives' expertise, responsibilities and performance.

The remuneration shall be on market terms and may consist of the following components:

Fixed salary

The fixed salary shall reflect the requirements for the position with regards to qualifications, responsibilities, complexity and how this contributes to achieving the Company's objectives. Furthermore, the fixed salary must reflect the results of the Executive and thus be individual and differentiated. The fixed salary should normally be the main element in the Executive's salary.

Below is further descriptions of the individual remuneration elements that have been applied during 2021.

Variable pay for Executives employed in Vår Energi ASA

Annual variable pay

Executives remuneration elements are based on the following:

Vår Energi has an annual bonus scheme for all employees. The scheme provides for general bonus for all employees based on EBITDAX - Earnings Before Interest, Taxes, Depreciation, Depletion, Amortization and Exploration Expenses, minimum 5 % up to max 25% of the employees gross annual base salary.

In addition to bonus based on the general element described above, Executives can receive an additional 0-30% of their gross annual base salary if certain KPI targets are met (the KPI element). The KPI element is defined based on Company's objectives such as HSE (SIF, TRIF and CO2), production, project development and carbon dioxide intensity.

Executives can also receive an additional 5-20% of their gross annual base salary as bonus based on

individual performance (the individual element).

As a result, if all performance targets are met Executives can receive a total bonus of 75% of their respective gross annual base salary (not including share based incentives).

The CEO is entitled to up to 120% of salary as bonus (annually) on the basis of the same KPI targets as the bonus scheme of the Executives described above.

Long Term Incentive (LTI) plan

Under the LTI program, the Company may grant the Executives an annual award up to 37,5% of their base salary in restricted Shares. The LTI program is based on the same criteria as for the Executive bonus program. The bonus program is based on the 3 elements; the general bonus element (max. 25%), achievement of the KPI element (max 30%) and the individual performance element (max 20%). If all performance elements are met the Executive management can receive a bonus of 75% of their respective gross annual salary. For an amount up to 50% of the granted bonus (max 37,5% of annual gross salary), will be placed in restricted shares and awarded after a vesting period of 3 years. There is no further lock in period after the shares have been awarded

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This also applies for the benefit schemes and the severance pay arrangements.

Pension and retirement benefits

Vår Energi has a defined contribution pension plan that satisfies the statutory requirements in the Norwegian law on required occupational pension (Norwegian: lov om obligatorisk tjenestepensjon). Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Vår Energi's pension deposit constitutes 7% of pensionable income per year up to 7.1G , and 25.1% of pensionable income between 7.1G and 12G. In addition, Vår Energi has, on an administrative basis, established an arrangement granting a 15% deposit of salary above 12G, which is paid with the salary in November.

Benefits in kind

All local employees are included in Vår Energi's insurance scheme, which includes travel, health and personnel insurance.

The Company has an agreement to purchase mobile phones with a company subscription, which applies to all permanent employees and inpats.

Loans and guarantees

Vår Energi has made arrangements to provide subsidised loans to all local employees. No other loans, guarantees or other commitments have been granted to any member of the board or to any member of the Management.

Share incentive programs

As per the date of initial listing at Oslo Børs, Vår Energi has two share incentive programs in place: the Share Saving Plan ("SSP") and the Long-Term Incentive Plan ("LTI"). Under the SSP program, all employees of Vår Energi are given the opportunity to invest up to 5% of their base salary in the company's Shares. Vår Energi will match the amount invested by allocation Shares to the employees. The Shares allocated under the SSP program will be subject to a two years (calendar years) lock-up period.

In addition to the Employee Share Saving Program, the employees are invited by the Company to participate in the Employee Offering.

Benefits upon termination

According to the employment agreement with the CEO the CEO shall receive severance pay equal to 12 months' salary if the Board of Directors decides that the CEO shall withdraw from his position and terminate his employment.

VP Internal Audit has an option to end his employment with the Company as of 26.03.2022 with a 24 months compensation – equivalent to USD 498 656. The option has not been exercised. No other employee, including any member of Management, has entered into employment agreements which provide for any special benefits upon termination. None of the board members has a service contract and none will be entitled to any benefits upon termination.

Agreements on severance payment may also be entered into for other Executives, in order to take care of the Company's needs to at all times ensure that the composition of Executives is in accordance with the Company's needs. Such agreements will only be binding to the extent permitted by the Norwegian Working Environment Act.

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of Vår Energi have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Preparation and decision-making process for establishing, reviewing and implementing the guidelines

The Board of Directors has established a Remuneration committee. The Remuneration committee shall monitor and evaluate the application of the guidelines, variable remuneration programmes for Senior Executives that are ongoing and those that were concluded during the year, as well as remuneration structures and levels within the Company.

The Remuneration committee shall also monitor and evaluate programs for variable remuneration to the Executives, the application of the guidelines to Executives as well as the current remuneration structures and compensation levels in the Company. Remuneration to the CEO shall be decided by the Board of Directors in line with approved policies following preparation and recommendation by the Remuneration committee. Remuneration to other Executives shall be decided by the CEO in line with approved policies and after consultation with the Remuneration committee. The members of the Remuneration committee are independent in relation of the Company and the Executives. The CEO and other members of the management shall not participate in the Board of Directors' discussions on matters related to remuneration that concerns them.

Deviation from these guidelines

The principles in these guidelines are binding for the Company from the time they are adopted by the general meeting.

The Board of Directors may nevertheless decide to deviate from the guidelines in individual cases provided that special circumstances are considered to make it necessary to deviate from the guidelines in order to satisfy the Company's long-term interest, including its sustainability, or to ensure the Company's financial viability. As stated above, the Remuneration committee's duties include preparing the Board of Directors' decisions on remuneration matters, including decisions to deviate from these guidelines.