

Remuneration report of the Executive Management 2022



Annual report on remuneration of the Executive Management

1 Introduction

Vår Energi (the Company) was listed on the Oslo Stock Exchange February 16th, 2022. Thus, 2022 was a historic year for the Company. This milestone and further transition of the Company were executed in the backdrop of geopolitical uncertainty, market volatility and energy scarcity mainly caused by the war in Ukraine. As the situation developed, the importance of the Norwegian Continental Shelf as a reliable supplier of oil and gas was reaffirmed, and the strategic position of Vår Energi showed strengths. The Company maintained its strategic priorities and focused on safe, efficient, and secure operations. In addition, developments set to deliver value-adding growth remained a key priority in 2022.

Nevertheless, the Company had to revise the full-year production guidance from 230-245 kboepd to 220-225 kboepd in October 2022 mainly due to turnaround and maintenance activities. But strong cash generation from operations improved the Company's financial position in 2022. The largest discovery of the year could be celebrated by the Company at the end of the year as the exploration team proved hydrocarbons in the Lupa well in the Goliat area, Barents Sea.

In 2022 a new corporate structure was implemented and several changes to the Executive Management were introduced. This change agenda was driven by the ambition to develop a high performing organisation and enable accomplishment of the business strategy and realisation of short and longer-term company goals.

Further elaboration on the Company's performance in 2022 and changes to the Executive Management is given below.

2 Governance

The main purpose of the Remuneration report is to provide transparency on executive remuneration and to show how compensation is linked to the Company's performance, long-term interests, and financial sustainability.

The Remuneration report is prepared by the Board of Directors of the Company in accordance with section 6-16b of the Norwegian Public Limited Liability Companies Act and section 6 of the Norwegian Regulation on Guidelines and Report on Remuneration of Executive Personnel (the "**Regulation**").

The Remuneration report provides information about salary and other compensation to the CEO and other members of the Executive Management. One of the members of the Executive Management was employed by ENI S.p.A and consequently managed by ENI S.p.A during 2022 with regards to remuneration programmes.

In accordance with the announcement given in the "Guidelines for remuneration of executive management 2022" (the "**Policy**"), unanimously adopted by the Annual General Meeting 4 May 2022, the Company has made several changes to its executive remuneration concept during 2022. These changes are based on the IPO prospectus and have been implemented during the year. Accordingly, a revised Policy will be submitted to the Annual General Meeting for approval in 2023.

Changes from the Policy have been made for the following elements;

- The Annual variable pay (AVP) plan
- The Long-term incentive (LTI) plan and the maximum reward level for the CEO

The changes and the revised AVP and LTI plans are described in section 7 below.

The Board of Directors have established a Remuneration Committee consisting of Thorhild Widvey (committee chair), Guido Brusco (Board member) and Martha Skjæveland (employee representative).

The Remuneration Committee's main responsibilities:

- Prepare and make recommendations to the Board of Directors on all matters pertaining to the CEO's remuneration
- Review and advise the CEO regarding remuneration of other members of the Executive Management
- Monitor and evaluate the remuneration plans for the Executive Management as well as the current remuneration structures and compensation levels within the Company
- Succession planning, assessment and leadership development relating to the Executive Management as a preparatory body for the Board.

In alignment with the Policy, the Board of Directors have made decisions related to base salary and other compensation elements for the CEO. The CEO has determined the remuneration of other members of Executive Management upon endorsement by the Remuneration Committee and within the instructions provided by the Board of Directors and the Policy.

3 Changes to the Executive Management in 2022

During 2022 an organization project has been executed to address organizational improvement areas and develop a high performing organization strengthening the Company's abilities to deliver on its strategic priorities. An adjusted organization structure was decided, and a revised Executive Management team was designated. The new organization came into effect as of 1 November 2022. The project entailed several changes to the Executive Management:

- Rune Oldervoll, Vice President of Operations, was appointed Executive Vice President in Exploration & Production from 1 November 2022.
- Tone Rognstad, Vice President of People & Organisation, was appointed Senior Vice President in People & Communication from 1 November 2022
- Ove Mikal Helle, Vice President of Safety & Sustainability was appointed Senior Vice President in Internal Audit from 1 November 2022.
- Ørjan Jentoft, Vice President in Partner Operated Assets, left the Executive Management 31 October 2022.
- Annethe Gjerde, Vice President in Contracts & Procurement left the Executive Management 31 October 2022.
- Bjørn Thore Ribesen, Vice President of Field Development & Projects, left the Executive Management 31 October 2022.
- Tor B. Tangvald, Vice President in Internal Audit, acted in the position as Executive Vice President in Technology, Drilling & Subsurface from 1 November until 21 December 2022 whereupon he left the Executive Management.
- Charlotte Vedø, Vice President in Corporate Services left the Executive Management 31 October 2022.
- Alessandro Barberis, Vice President of Exploration, left the Executive Management 31 October 2022.
- As part of the project, new members of the Executive Management have been appointed during 2022:
- Atle Reinseth was appointed Executive Vice president in Project Development & Supply chain Management from 1 October 2022
- Ingrid Sølberg was appointed Executive Vice president in Technology, Drilling & Subsurface from 21 December 2022.
- Ellen Waldeland Hoddell was appointed Senior Vice President in Safety & Sustainability from 1 November 2022.

4 Remuneration structure

The remuneration of members of the Executive Management consists of fixed and variable elements. Fixed remuneration includes base salary, benefits, and pension contribution. Variable remuneration consists of Annual variable pay ("AVP") and LTI plan. Vår Energi also offers an employee share savings plan ("SSP") to all employees, including members of the Executive Management.

An overview of the various remuneration elements offered to the Executive Management is given in the table below:

Element	Purpose	Award level	Performance
Base salary	Attract and retain individuals by providing competitive base salary aligned with the company's market strategy	The base salary is aligned with and differentiated according to the individual's responsibility and performance. The level is competitive in the market in which we operate	The base salary is normally subject to annual review based on evaluation of the individual's performance and contribution to company's goals
Pension and insurance plan	Provide competitive postemployment and other benefits	The Company offers a defined contribution pension plan and insurance plans aligned with the market. Ref. section 7 below.	NA
Annual variable pay plan	Encourage a pay for performance culture and underpin a high performing organisation. Reward individuals for their annual achievements of business goals and individual goals.	Maximum level for the CEO is 80% of base salary plus the effect of the Company performance modifier. Maximum levels for other members of the Executive Management is 50% of base salary plus the effect of the Company modifier. Ref. section 7 below.	AVP is linked to achievements of business goals (80%) and individual goals (20%). The Company performance modifier links the AVP to the Company's Total shareholder return.
Long-term incentive plan	Strengthen the alignment of Executive Management and shareholders' interests. Retention of key executives.	Maximum level for the CEO is 30% of base salary plus the effect of the Company performance modifier. Maximum level for other members of the Executive Management is 25% of base salary plus the effect of the Company performance modifier. Ref. section 7 below.	The Company performance modifier based on the Total shareholder return is applied to decide the annual grant. Ref. section 7 below.
Employee share savings plan	Align and strengthen employee and shareholders' interests and remunerate for long-term commitment	Participants in the plan can purchase shares for 5% of the base salary and are awarded bonus shares with the ratio 1:1 after two full calendar years savings.	NA

5 Vår Energi 2022 performance

The company has established a Balanced scorecard with common goals and KPIs for members of the Executive Management. The table below gives an overview of goal categories, weighting and assessment of 2022 achievements. Explanations of main results is given below the table. Each individual has a goal plan including relevant goals from the Balanced scorecard and individual goals.

Goal category	Weighting	Performance 2022
Overarching KPIs	45%	15%
Dividend		
KBOEPD		
OPEX		
ROCE		
Free Cash Flow		
EBITDAX		
Safety and ESG	24%	11%
SIF		
TRIF		
MARI		
% completion of 'Always safe'		
Process Safety		
CO ₂ /boe		
High performing organisation	8%	8%
High performing organisation project and Diversity		
Operational excellence	13%	1%
Production efficiency		
Balder X progress		
CAPEX		
Robust portfolio	10%	40%
UEC \$/boe		
Contingent resources/mmboe		
Total bonus score	100%	45%

Health, security, safety and environment

2022 was a challenging year related to the safety performance, as the Company did not realise the high safety ambitions. The Serious Incident Frequency ("SIF") ratio ended at 1.0 which is above target. During the year SIF is trending downwards, yet with a significant gap to target. Total Recordable Injury Frequency ("TRIF") came in at 3.2. This is also above target. TRIF result is primarily driven by incidents related to yard activities in development projects. The Company focuses on major accident potential and monitors key indicators through the Major Accident Risk Indicator system ("MARI"). The annual MARI result ended below target. The completion of the "Always safe programme" was 95%, solid above target. The CO₂ intensity ended at 11.5 kg /boe for the total portfolio, which is stable, and around target level.

The overall safety performance is not meeting expectations. Safety will continue to be the first priority for the Company. Actions are reinforced to meet the challenges experienced with SIF and TRIF in 2022. No serious injuries occurred during 2022.

High performing organisation

High performing organisation project implemented on time with renewal of 1/3 new leaders, new organisation structure, and new ways of working. Diversity results, both onshore and offshore, above targets.

Operational excellence

Production of oil, liquids, and natural gas for 2022 ended at 220.1 kboepd. This is lower than the annual target, but in line with the revised production guidance (220 - 225 kboepd) given 11 October 2022.

The production efficiency in 2022 for operated fields ended at 85% which is slightly below target. The Balder X project ended below target.

A revised baseline for the project is established with additional gross investment requirements of USD 1.2 billion. First oil expected Q3 2024.

Capex was delivered within the guiding provided to the market and came in line with the target.

Robust Portfolio

UEC (Unit Exploration Cost) USD/boe ended 0.2 for the full year, which is a strong result, better than target. Contingent resources/mmboe also came in above target, due to strong results in late 2022 with the Calypso and Lupa findings (Lupa largest discovery at NCS for 2022).

Financial performance

2022 financial results were strong, with significant cash generation, strong dividend distribution, very low leverage ratio and total shareholder distribution above 30%. A ~8.5 USD billion in EBITDAX, Cash flow from operations of ~5.7 USD billion and free cash flow of ~3.1 USD billion. A strong contributor to the financial results was the high commodity prices during 2022, driven by the large geopolitical instability, especially in Europe.

Summary and conclusion on the Company's performance

2022 summarised, a strong financial year with strong shareholder distribution, challenges related to operational issues on both operated and partner operated portfolio impacting the production, postponed start-up and increased investment estimate for the Balder X project and overall positive trend within safety, but gap to the Company ambition.

6 Executive Management compensation 2022 (NOK)

Name	Position	Year	Base salary	AVP	Other	Payment in kind	Pension cost	LTI	Total compensation	Share % of fixed vs. variable remuneration
Torger Rød ¹	Chief Executive Officer Startdate 1 Jun 2021	2022	6 553 709	3 204 630	3 250 000	19 870	968 371	1 950 000	15 946 580	47.3% / 52.7%
		2021	3 166 763	2 948 021	-	6 196	565 468	-	6 686 448	55.9% / 44.1%
Rune Oldervoll	EVP Exploration & Production	2022	2 917 357	620 782	-	85 072	405 415	701 610	4 730 236	72% / 28%
		2021	2 859 504	998 445	-	70 804	390 173	-	4 318 926	76.9% / 23.1%
Atle Reinseth ²	EVP Project Development & Supply Chain Mngmt.	2022	775 000	206 282	656 131	9 203	192 793	-	1 839 409	53.1% / 46.9%
Ingrid Sølvberg ³	EVP Technology, Drilling & Subsurface	2022	-	-	-	-	-	-	-	-
Ove André Årdal	SVP Commercial	2022	2 422 519	710 105	-	80 308	765 221	591 681	4 569 834	71.5% / 28.5%
		2021	2 364 878	942 202	-	56 587	732 778	-	4 096 444	77% / 23%
Tone Rognstad ⁴	SVP People & Communication	2022	2 142 131	728 041	1 252 045	19 138	349 641	606 625	5 097 621	49.3% / 50.7%
Aksel Luhr	General Counsel	2022	2 289 794	651 102	-	19 870	319 447	561 320	3 841 532	68.4% / 31.6%
		2021	2 248 279	791 195	-	15 448	309 220	-	3 364 141	76.5% / 23.5%
Ellen W. Hoddell ⁵	SVP Safety & Sustainability	2022	325 000	443 531	-	10 534	78 568	487 500	1 345 134	30.8% / 69.2%
Stefano Pujatti ⁶	Chief Financial Officer	2022	4 355 990	698 095	-	387 450	-	-	5 441 535	87% / 23%
		2021	3 486 951	222 187	-	4 026	-	-	3 713 164	94% / 6%
Ove Mikal Helle	SVP Internal Audit	2022	2 327 404	543 358	-	88 586	322 462	558 732	3 840 542	71.3% / 28.7%
		2021	2 275 832	797 418	-	15 448	310 042	-	3 398 740	76.5% / 23.5%
Tor Tangvald	VP internal Audit	2022	2 506 009	671 375	-	19 870	983 717	-	4 180 972	83.9% / 16.1%
		2021	2 495 466	869 377	-	15 448	951 173	-	4 331 464	79.9% / 20.1%
Charlotte Vedø ⁷	VP Corporate Services	2022	1 931 788	411 970	-	75 756	521 542	-	2 941 056	86% / 14%
Alessandro Barberis ⁸	VP Exploration Start date 02 Aug 2021	2022	2 595 073	267 049	-	350 000	-	-	3 212 122	91.7% / 8.3%
		2021	1 095 250	-	-	1 098	-	-	1 096 348	100%
Ørjan Jentoft ⁹	VP Partner Operated Assets	2022	2 611 578	550 988	-	73 436	159 526	-	3 395 528	83.8% / 16.2%
		2021	2 902 535	1 093 792	-	71 453	417 316	-	4 485 096	75.6% / 24.4%
Bjørn Thore Ribesen ¹⁰	VP Field Development & Projects	2022	2 765 070	590 345	-	77 396	175 225	-	3 608 036	83.6% / 16.4%
		2021	3 387 608	1 063 980	-	66 055	447 418	-	4 965 061	78.6% / 21.4%
Annethe Gjerde ¹¹	VP Contract & Procurement	2022	1 941 269	482 971	-	20 716	161 694	-	2 606 651	81.5% / 18.5%
		2021	2 210 523	796 215	-	15 448	311 907	-	3 334 093	76.1% / 23.9%

AVP earned from 2022, paid in april 2023

¹ Other: as per prospectus - bonus paid by successful IPO 2022² Employed since October 2022. Other: as per contract - compensation for documented loss of bonus with previous employer³ Employed since December 2022⁴ Employed 01 January 2022. Other: as per contract - compensation for documented loss of bonus with previous employer⁵ Appointed in November 2022⁶ Expatriated from ENI SPA⁷ Left the Executive Management group October 2022, compensation prorated for 2022⁸ Expatriated from ENI SPA. Left the Executive Management group October 2022.⁹ Left the Executive Management group October 2022, compensation prorated for 2022¹⁰ Left the Executive Management group October 2022, compensation prorated for 2022¹¹ Left the Executive Management group October 2022, compensation prorated for 2022

The merge between ENI Norge and Point Resources in December 2018 and extensive changes in company structure as well as replacements in management, these significant changes in a 5 year report will have limited relevance with the aim of giving current owners an insight into the Company business position and ability to create value for the owners in a long-term perspective.

7 Description of remuneration elements and employment terms applied in 2022

Base salary

The general framework for the 2022 base salary review in the Company was settled in September based on negotiations with the unions. The agreed frame was 5%. The local negotiations were delayed due to postponement of the salary negotiations in the Norwegian Oil and Gas Association. The review of base salaries of the Executive Management has been kept within the local framework in 2022.

Due to postponement of the local negotiations and delayed review of individual base salaries in the Company, the Board of Directors considered it most appropriate to wait with the 2022 base salary adjustment of the CEO until early 2023. The Board of Directors concluded to adjust the CEO base salary with 5%, which is within the local framework in 2022.

The Company has recruited several executives in the Norwegian market in 2022. Normally a certain raise in base salary has to be offered external candidates, but revisited variable pay plans and a competitive pension offer have enabled the Company to maintain its competitive position throughout 2022. However, market investigations also show that some of the companies within oil and gas industry offer higher total remuneration levels than Vår Energi.

Overview changes to the AVP and LTI plans

Plan	Policy 2022 Main elements and maximum levels in percent of base salary	Revised plan Main elements and maximum levels in percent of base salary
Annual variable pay	General bonus based on EBITDAX. KPI elements from Business Scorecard. Individual goals. Max level CEO 120%. Other members of the Executive management 75%.	The Goal plan including relevant business goals and individual goals. The annual variable pay chart. Company performance modifier. Max level CEO 120%. Other members of the Executive management 75%.
Long-term incentive	Same criteria as the AVP plan Max level 37.5%	An annual grant in percentage of base salary. Company performance modifier. Max level CEO 45%. Other members of the Executive management 37.5%.
Main performance indicator	EBITDAX: Earnings before interest, taxes, depreciation, depletion, amortization, and exploration expenses	Company performance indicator based on relative Total shareholder return (c.f. below)

The revised plans are described in detail below.

The company performance modifier

With the aim to strengthen the link between variable pay and the Company's performance and to enhance the alignment of the Executive Management's interests with those of the shareholders, a Company performance modifier has been introduced in 2022. This modifier is applied in the Annual variable pay plan and in the Long-term incentive plan.

The performance modifier entails that the Company's total shareholder return (the "TSR") is compared to the TSR of a peer group consisting of 11 other companies within the oil and gas industry. Through this comparison the Company's relative position in the group is determined. A position of quartile 1 means that Vår Energi is amongst the top scoring quartile of peer companies. A position of quartile 4 means that Vår Energi is in the bottom performing quartile. In years with strong TSR the Company's relative position will result in the variable pay being modified with a factor higher than one, and correspondingly, lower than one in weak years. By applying relative numbers, the effect of fluctuating oil and gas prices is to some degree reduced.

The Board of Directors have determined which companies are included in the peer group based on analysis by the Remuneration Committee.

The Company performance modifier has a range of 0.5 - 1.5.

The performance modifier is a new instrument in the Company's remuneration toolbox. As such, adjustments or modifications of the modifier might be needed if experiences show that it does not serve the long-term interests of the Company.

The table below shows Vår Energis position in the peer group of 11 other companies measured for the period 16 February – 31 December 2022.

Vår Energi came in at position 5 in the peer group. This gives a Company performance modifier of 1.1.

TSR Number	TSR Factor	Company	TSR (16 Feb 2022 - 31 Dec 2022)
1	1.5	Norwegian Energy Company ASA	134%
2	1.4	Occidental	60%
3	1.3	Equinor ASA	38%
4	1.2	ConocoPhillips	37%
5	1.1	Vår Energi ASA	32%
6	1.0	Okea ASA	30%
7	1.0	Cairn Energy	24%
8	0.9	Aker BP ASA	21%
9	0.8	Shell	14%
10	0.7	DNO ASA	9%
11	0.6	Harbour Energy	(13%)
12	0.5	Tullow Oil	(29%)

Annual variable pay (AVP)

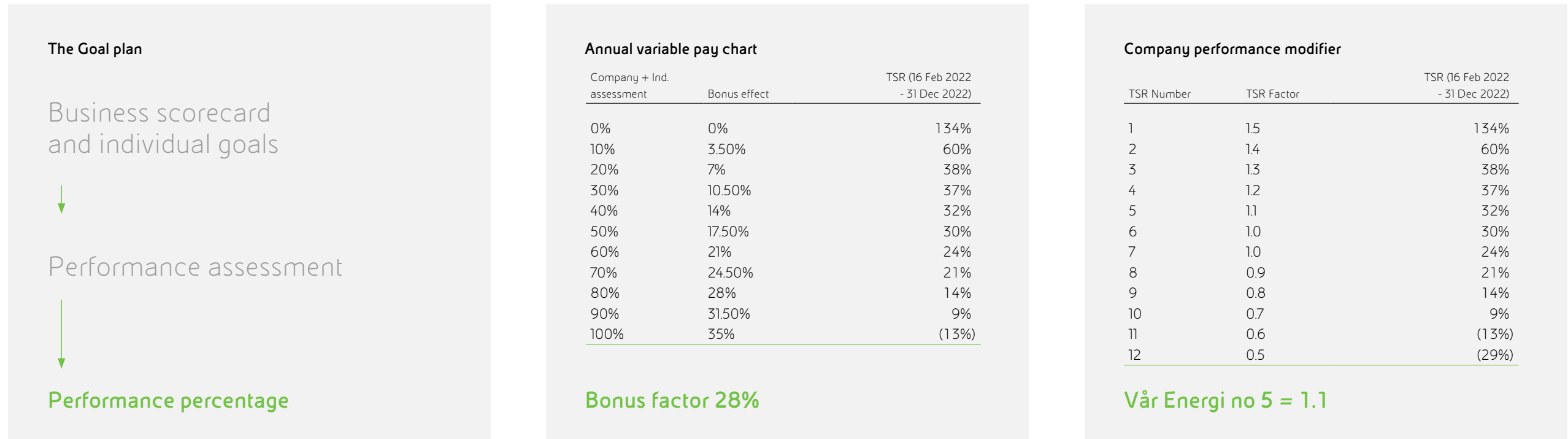
The AVP for the Executive Management does no longer apply the general bonus for all employees as an integrated element.

The revised AVP plan consists of the following elements:

- Assessment of the goal plan which concludes with a performance percentage in the range of 0-100%
- The performance percentage is applied in an annual variable pay chart for the actual plan and gives a bonus factor

- The bonus factor is multiplied with the Company performance modifier to determine the final annual variable pay percentage. The AVP is finally calculated in percent of the executive’s base salary of the qualifying year.

The main elements in the AVP model are visualised below:



Example 56% = 28% × 1.1 = Annual variable pay 30.8%

The AVP chart for the CEO is ranging from 0 - 80%. Performance at target gives a bonus factor of 40%. Maximum annual variable pay for the CEO is 120% including the effect of the Company performance modifier.

The AVP chart for other members of the Executive Management is ranging from 0 - 50%. Performance at target gives a bonus factor of 25%. Maximum annual variable pay for the Executive Management (other than the CEO) is 75%, including the effect of the Company performance modifier.

The maximum AVP levels are only paid if all stretched goals are fully achieved and Vår Energi is the best company in the peer group when it comes to the TSR results.

The CEO's, Torger Rød, AVP for the earning year 2022:

Performance percentage	Bonus factor	Company performance modifier	AVP %	AVP in NOK
Goal plan - assessed performance at target 54%	Annual variable pay chart 43.20%	1.1 43.2% × 1.1 = 47.52%	47.52%	6 743 750 ¹ × 47.52% NOK 3 204 630

¹ Base salary is prorated for 2022

Long-term incentive (LTI) plan

The LTI plan is regarded an important element in the remuneration of the Executive Management as it is an investment in the Company's shares that supports the objective of strengthening the common interests between the Company's management and its owners.

The LTI plan does no longer apply the elements which constituted the executive's annual variable pay. The LTI plan includes an annual grant and the Company performance modifier.

The annual grant for the CEO is 30% of base salary. For other members of the Executive Management the grant is 25% of base salary. The annual LTI grant (30%, 25%) are multiplied with the Company performance modifier (0.5 - 1.5) for the previous year (Company performance modifier c.f. above). Since the Company was not listed in 2021 and no TSR for 2021 was available, the annual grant for 2022 was set to 30% for the CEO and 25% for selected members of the Executive Management.

Including the effect of the Company performance modifier the maximum award is 37.5% of base salary for members of the Executive Management other than the CEO.

In reference to the reservation made in the Introduction to the "Guidelines for remuneration of Executive Management of 2022", the Board of Directors decided 25 July 2022 to set the maximum LTI award for the CEO at 45% of base salary including the effect of the Company performance modifier. This level was decided to underpin the competitiveness of the CEO's remuneration package and to provide a reasonable internal differentiation.

Annual net LTI grant shall be invested in Vår Energi shares with a lock in period of 3 years, date to date. During the lock in period, shares cannot in any way be sold, pledged, or disposed over by the participant. If the executive leaves or submits his/her notice before the expiry of the lock-in period, an amount equal to the gross grant must be refunded to the Company.

Employee share savings plan

In 2022 a monthly share savings plan has been launched for all employees in the Company. Members of the Executive Management may participate in the SSP. Under the SSP, all employees are given the opportunity to invest up to 5% of their base salary in shares issued by the Company. The shares purchased under the SSP are subject to a two years (calendar years) lock-in period. After the two years period, the Company will match the number of shares invested by allocation of shares to the employees with the ratio 1:1.

Shareholding

Along with introduction of the LTI plan follows a requirement relating to share ownership for the CEO and other members of the Executive Management. The level of shareholding required of the Executive Management is 50% and for the CEO 100% of the annual gross base salary. The requirement should be fulfilled after a period of 5 years.

Shareholding disclosed below includes the number of shares owned by the CEO and other members of the Executive Management as of December 31. The table includes shares awarded through the LTI plan and shares purchased privately. Shareholding as a percentage of base salary illustrates the value of the shares based on the share price at year end compared to base salary in 2022.

Name	Position	Number of shares	Value of shares	Shareholding as percentage of base salary
Torger Rød	Chief Executive Officer	107 784	NOK 3 472 800	51%
Rune Oldervoll	EVP Exploration & Production	46 544	NOK 1 499 648	53%
Atle Reinseth	EVP Project Development & Supply Chain Mngmt.			
Ingrid Sølvberg	EVP Technology, Drilling & Subsurface			
Ove André Årdal	SVP Commercial	23 792	NOK 766 578	32%
Tone Rognstad	SVP People & Communication	29 434	NOK 948 363	39%
Aksel Luhr	General Counsel	28 252	NOK 910 279	41%
Ellen W Hoddell	SVP Safety & Sustainability	11 947	NOK 384 932	20%
Stefano Pujatti	Chief Financial Officer			
Ove Mikal Helle	SVP Internal Audit	15 699	NOK 505 822	23%

Share at closing price 30 Dec 2022 NOK 32.22
Base salary as per 31 Dec 2022

Pension and insurance plans

The Company has a defined contribution pension plan. Contributions are paid to the pension plan and charged to the income statement. Once the contributions have been paid, there are no further payment obligations.

The Company's pension deposit constitutes 7% of pensionable income per year up to 7.1G¹ and 25.1% of pensionable income between 7.1G and 12G. In addition, the Company has, administratively established an

arrangement granting a 15% deposit of pensionable income above 12G. This deposit was paid to the executive with the salary in November 2022.

The Executive Management is covered by the Company's personnel insurance scheme and the Company's travel- and health insurance schemes.

Claw back

The Company might require repayment of variable remuneration which was paid incorrectly or if the results were achieved on the basis of undesirable risk-taking. The same applies if the Company becomes aware that the recipient materially has breached his or her obligations or violated the Company's ethical guidelines.

No variable remuneration paid to the Executive Management was reclaimed in 2022.

Termination of employment

The CEO and other members of the Executive Management have a termination period of 6 months. Upon termination of employment initiated by the Company, the CEO is entitled to a severance pay of 12 months. Other members of Executive Management are normally entitled to six months' severance pay. The severance pay is calculated from the date of termination of the employment and paid monthly based on pensionable salary. Remuneration or other income which the outgoing member earns during the severance pay period is deducted from the severance pay.

If the employment contract terminates as a result of a gross breach of duty or other material breach of the employment contract, the right to severance pay will lapse.

No termination of employment of members of the Executive Management was initiated by the Company in 2022.

¹ G corresponds to the basic amount in the National Insurance Plan in Norway, which as of 1 May 2022 amounts to NOK 111 477

8 Development in remuneration and Company performance

Year	2018	2019	2020	2021	2022
Total Shareholder Return	NA	NA	NA	NA	32%
EBITDAX (USD 1000)	2 016 898	1 856 395	1 689 130	4 821 228	8 546 771
ROACE (%)	11.20%	2.90%	(11.70%)	16.60%	38.50%
Profit after tax (USD 1000)	292 131	78 427	(1 626 625)	654 356	936 402
<i>Change</i>		<i>(73.15%)</i>	<i>(2 174%)</i>	<i>140.50%</i>	<i>43%</i>
CEO's Total direct compensation (TDC)	NOK 18 500 302	NOK 10 200 263	NOK 8 901 519	NOK 10 105 781	NOK 15 946 580
<i>Change</i>		<i>(44.90%)</i>	<i>(12.70%)</i>	<i>13.50%</i>	<i>57.80%</i>
Executive Management average (TDC)	NOK 3 622 118	NOK 3 240 085	NOK 3 362 217	NOK 3 882 799	NOK 3 488 681
<i>Change</i>		<i>(10.50%)</i>	<i>3.60%</i>	<i>15.50%</i>	<i>(10.15%)</i>
Employee average (TDC)	NOK 1 251 407	NOK 1 371 178	NOK 1 382 794	NOK 1 602 430	NOK 1 655 156
<i>Change</i>		<i>9.60%</i>	<i>0.85%</i>	<i>15.90%</i>	<i>3.30%</i>

9 Board of Directors remuneration

In 2021 none of the members of the Board of Directors, including the chair received any remuneration from the Company for their responsibility as a Director.

Name	Position	Board of Directors	Audit Committee	S&S Com	Remuneration Committee	Total
Thorhild Widvey	Chair BoD	NOK 924 000			NOK 63 800	NOK 987 800
Liv Monica Bargern Stubholt ¹	Deputy Chair BoD	NOK 435 500	NOK 220 000			NOK 655 500
Francesco Gattei	Elected by ENI S.p.A ²					-
Guido Brusco	Elected by ENI S.p.A ²					-
Clara Andreoletti	Elected by ENI S.p.A ²					-
Marica Calabrese	Elected by ENI S.p.A ²					-
Ove Gusevik	BoD member	NOK 435 500	NOK 132 000			NOK 567 500
Fabio Ignazio Romeo	BoD member	NOK 435 500		NOK 132 000		NOK 567 500
Jan Inge Nesheim	Employee-elected	NOK 250 000		NOK 35 000		NOK 285 000
Martha Skjæveland	Employee-elected	NOK 250 000			NOK 35 000	NOK 285 000
Bjørn Nysted	Employee-elected	NOK 250 000	NOK 35 000			NOK 285 000
Hege Susanne Blåsternes	Employee-elected	NOK 250 000		NOK 35 000		NOK 285 000
Kjersti Selvik ³	Employee-elected	NOK 0				-

¹ Paid to Advokatfirmaet Selmer AS

² Directors elected by ENI S.p.A shall not receive any remuneration

³ Employee rep. until AGM 2022.

