GUIDELINES FOR REMUNERATION TO DIRECTORS OF FJORDKRAFT HOLDING ASA

These guidelines have been prepared by the Board of Directors of Fjordkraft Holding ASA ("**Fjordkraft**" or the "**Company**") in accordance with the Norwegian Public Limited Liability Companies Act Section 6-16a and related regulations. The guidelines have been prepared for approval by the Company's annual general meeting in 2021, and shall apply until the Company's annual general meeting in 2025, unless amended or replaced earlier.

These guidelines apply for the following (jointly referred to as "**directors**"): (i) the executive management, (ii) employee elected board members, (iii) the CEO and (iv) other leading employees defined as key employees.

Remuneration to persons mentioned in (ii) are regulated by "Remuneration to employee elected board members".

1. Process for development of the guidelines, the Remuneration Committee and conflicts of interests

The Board of Directors has taken an active role in establishing, reviewing and executing these guidelines.

With support of the Company's remuneration committee (the "**Remuneration Committee**"), the Board of Directors shall prepare a proposal for guidelines for resolution by the annual general meeting at least every fourth year. The annual general meeting shall decide on such proposals. Resolved guidelines may also be amended by way of resolution of subsequent general meetings.

The Company has a separate Remuneration Committee appointed for the Board of Directors. The Remuneration Committee is a sub-committee of the Board of Directors. The objective is to serve as a preparatory and advisory body for the Board of Directors' consideration of matters concerning remuneration and compensation of directors. Responsibilities include overseeing and approving the determination of performance criteria of variable remuneration. The committee is only responsible to the whole Board of Directors of the Company and only has recommendatory authority with regard to that body.

In order to reduce the risks of conflict of interests, no director shall participate in the preparation or resolution regarding remuneration-related matters which they are directly affected by.

2. Purpose and general principles for remuneration

These guidelines constitute a framework for which remuneration to directors may be decided by the Company during the period for which the guidelines are in force.

The main principle of the Company`s guidelines for remuneration, is that the directors shall receive a competitive salary, including a result-based salary tied to the business results and shareholder value to ensure the desired competence and director incentives.

Remuneration is an important instrument in order to harmonize the interests of the Company and its directors. The Company's remuneration principles are designed to ensure that the Company is able to attract and keep qualified directors, without being a wage leader in the relevant business sector, and without the variable wage element constituting such a large proportion of the total wage compensation that it can give unfortunate incentives and short-termism.

Remuneration and employment conditions for employees of the Company have been taken into account in the preparation of these guidelines by including information on employees' total income, forms of remuneration and other salary components in the Remuneration Committee's and the Board of Directors' basis for decision when evaluating whether the Company's remuneration practices, and guidelines and limitations set out herein are adequate and reasonable.

The remuneration shall generally stimulate to goal achievements and good risk management, counteract excessive risk-taking, and contribute to avoid conflict of interests. The remuneration shall be in line with the Company`s long term interests and economic financial sustainability. In general, the remuneration shall be equal for male and female employees for equal work or work of equal value. The Company conducts annual reviews of the practice of the remuneration principles, and the Company`s written report (the "**Remuneration Report**") is reviewed by independent control functions.

3. Elements of remuneration

Remuneration includes all benefits a person receives by virtue of his/her position as a leading person in the Company. This includes:

1. base salary,
2. bonuses,
3. allotment of shares, warrants, options and other forms of remuneration related to shares or the development of the share price in the company,
4. pension schemes, early retirement schemes, and
5. all forms of other variable elements in the remuneration, or special benefits that are in addition to the basic salary.

Principles for fixed salary

Fixed cash salary allows the Company to attract and recruit directors that are necessary for the long term profitability and sustainability of the Company.

It is the Company's policy that base salaries shall reflect the individual's position and degree of responsibility. The size of the fixed cash salary shall be in line with market conditions, be competitive with comparable businesses within the industry, and shall take into account inter alia the scope and responsibility associated with the position, as well as the skills, experience, and performance of each director. The fixed cash salaries have no maximum levels.

For directors, the base salary constitutes the most significant part of the remuneration.

Principles for variable cash salary

Variable cash salary (i.e. cash bonuses) shall be based on a set of predetermined and measurable performance criteria that reflect the key drivers for pursuing the Company's business strategy, long-term interests, and sustainable business practices.

The remuneration of the executive management shall from 1 January 2021 consist of fixed salary and a variable compensation based on EBIT-adjusted results as well as operational KPIs determined by the board per year.

The variable compensation of the CEO shall be limited upwards to approximately 40% of the fixed salary.

The variable compensation for the Company`s executive management shall be limited upwards to approximately 13-16% of the fixed salary.

The Company's executive management, excluding the CEO, is part of the same scheme as the other employees in which employees can choose to use the amount from the variable salary for share purchases. If so, the gross amount is increased by 25% before tax. The shares are purchased at market price.

Principles for pension benefits

Directors` pension arrangements shall generally follow the arrangements established for the employees in Fjordkraft Holding ASA and Fjordkraft AS. Pension benefits shall be based on local practices and applicable law. More information concerning pension is included in note 17 of the annual account.

Principles for non-financial benefits

Non-financial benefits shall be based on market terms and shall facilitate the duties of the executive management. The Company aims to have sufficiently competitive salary and incentive programs to minimize additional non-financial benefits, and such shall generally be offered only to the extent they are in line with generally accepted customs locally.

The executive management may receive certain limited benefits in kind, including company car/car arrangement, telephone, internet access, and magazine/newspaper subscriptions.

Purchase of shares

The management may participate in any Company employee share purchase plans or similar plans on substantially on the same terms as all employees.

Share-based incentive programs

Share-based payments, settled in shares or cash, are used as part of the Company's incentive schemes. In the view of the Board of Directors, attractive share-based long-term incentive programs is an important part of the total compensation for the executive management, and which may be necessary to allow the Company to retain and hire the talent it needs for further growth.

The executive management and key personnel shall be concerned with the value development for the Company`s shareholders. A share option program may bind the key employees to the Company and may also contribute to a more cautious wage growth in the years to come.

The share-based incentive program of the Company was first granted on 10 December 2018, and approved by the General Meeting in 2019.

The following specific limitations apply for granting of share options in the Company: (i) as a main rule, share options may not be redeemed before three years have elapsed, (ii) the maximum amount of share options signed in a given year shall not exceed one percent of the Company`s outstanding shares, (iii) the exercise price for share options shall be set at market price at the time of allotment, (iv), the exercise price shall be adjusted for dividend paid before redemption, (v) the share options have a cap on gains of three times the exercise price (before adjustments for dividend payments). The options can be settled by the Company in cash if the share price exceeds the cap set out in (v), and if so, based on the gain of such cap, which constitutes the limit of maximum potential gain.

Employment agreements

The CEO and executive management have six month notice periods.

The CEO is entitled to a severance pay in case of termination of employment by the Company for a period of 12 months after expiry of the ordinary notice period. During employment and for 12 months after expiry of the notice period (or from the time of dismissal), the CEO is bound by the provisions on non-competition and recruiting the Company's customers and employees in accordance with the provisions in chapter 14A of the Working Environment Act of 2005.

Remuneration to employee elected board members

The level of remuneration to employee elected board members for their role as board members is proposed by the Remuneration Committee and is handled further by the Nomination Committee which propose a remuneration to the general meeting. The determination of the remuneration takes into consideration the work load, comparable companies and the general wages in the Company.

4. Deviations from these guidelines

The Board of Directors may, on recommendation from the Remuneration Committee, in the circumstances described below resolve to deviate from any sections of these remuneration guidelines:

• upon change of the CEO;
• upon material changes in Company’s organization, ownership and/or business
• upon material change in the Company’s strategy;
• upon changes in or amendments to the relevant laws, rules, or regulations (for example for regulatory, stock exchange control, tax or administrative purposes or to consider change in legislation or corporate governance requirements or guidance);
• upon other exceptional circumstances where the deviation may be required to serve the long-term interests and sustainability of the Company as a whole or to assure its viability.

Any deviation from these guidelines shall be reported in the Remuneration Report for the relevant year.

The Board's declaration on determining directors pay will be sent out or made available to the shareholders on the Company's web site, together with notice of the annual general meeting of the Company and the Company's annual report and accounts.

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