

## **GUIDELINES FOR REMUNERATION AND OTHER BENEFITS TO MEMBERS OF THE COMPANY'S EXECUTIVE MANAGEMENT**

As of 1 January 2021, pursuant to section 6-16a of the Public Limited Companies Act, the Board of Directors of Mowi ASA (hereinafter referred to as "the Board" or just "Board") is required to prepare Guidelines for remuneration and other benefits to members of the company's Executive Management (hereinafter referred to only as "Guidelines"). The Guidelines were approved at the Company's Annual General Meeting in 2021. As a consequence of the Board of Directors proposing one change to the Company's management share option scheme, the Company's Board of Directors has prepared new Guidelines where the changes to the Company's share option scheme appear from section 2.5 "Share Option Scheme".

### **1. Purpose and goals**

The purpose of the Guidelines is to provide a strong framework for executive remuneration that contributes to achieve Mowi ASAs (hereinafter referred to as "the Company" or only "Company") business strategy, long-term interest and ensure the company is run sustainably, for continuous creation of long-term shareholder value. The key elements of the group strategy for the Company is long-term growth, cost performance and sustainability.

The Guidelines are in line with recognized principles of corporate governance, and the remuneration principles shall be transparent, understandable and meet general acceptance internally in the Company, among the Company's shareholders and with the public.

The remuneration principles for variable compensation is linked to the Company goals and as such supports the Company strategy, long term-interest and financial sustainability.

The aim of the remuneration offered to the Company's Executive Management (as defined herein) set out in these Guidelines is to attract executives with the experience and competence required by the Company, retain employees with important expertise and leadership qualities, and motivate the management through incentives to contribute in the long-term to reach the Company's business goals. The terms aim to be balanced in relation to experience, responsibilities and performance.

The total compensation offered to senior executives shall be competitive, both nationally and internationally.

The compensation shall contain elements providing necessary financial security following termination of the employment, both before the age of retirement and in connection with this.

The system of remuneration shall be flexible and contain mechanisms which make it possible to carry out individual adjustments based on the results achieved and contributions made towards the development of the Company.

The Company's Executive Management includes:

- the CEO

- Group Management Team
- Senior members of Corporate staff

The Guidelines apply also to Employee members of the Board.

The Guidelines are aligned with the wider remuneration policy for Executive Management across other business units in the group.

## **2. Types of remuneration and benefits offered to members of the Company's Executive Management**

The Company offers remuneration and benefits to the Company's Executive Management consisting of components including fixed salary, annual cash bonus, long-term share option scheme, pension and benefits in kind.

Benefits in kind make out a minimal part of the total remuneration package.

The bonus scheme is normally capped at 50 % of the annual fixed salary.

The profit from the share option scheme is capped at two years' salary for the option holder in a year.

The Company's only open pension scheme is the Occupational Contribution Plan that currently has a contribution rate of 4.8% up to 7.1 G, and 8% from 7.1G to 12G.

### **2.1. Fixed salary**

The fixed salary which each individual of the Executive Management in the Company will receive is a consequence of existing employment agreements. When recruiting, the salary level offered will reflect this. The salaries offered supports the Company's ability to attract and retain leaders that will contribute in the long-term to reach the Company's business goals.

The fixed salary is assessed annually, and adjustments of individual fixed salaries will be carried out in accordance with trends in local labor markets, the results achieved, and individual performance and contributions to the development of the Company. Salaries are also assessed externally when relevant, using internationally recognized job assessment systems, with the aim to utilize an objective and globally consistent salary benchmark and methodology.

### **2.2 Benefits in kind**

The Company's remuneration schemes include different benefits in kind. Benefits in kind consists of benefits such as phone, laptop, Wi-Fi, newspaper subscriptions, parking arrangements and car allowance or company car. The benefits are linked to the employment and will cease in the event of a termination of the employment. There might be variations as to which individuals receive the different benefits. The benefits in kind correspond to common practice in the local labor market and is a minimal part of the total remuneration package offered.

### **2.3 Pension**

The Company's pension scheme is a collective and contribution based scheme for all employees. Pension is regarded a central element to the Company's remuneration policy, with regard to attracting and retaining qualified leaders. The pension scheme is competitive, but not market leading.

The Company's only open pension scheme is the Occupational Contribution Plan that currently has a contribution rate of 4.8% up to 7.1 G, and 8% from 7.1G to 12G. All new Executive Management will be included in this plan.

The pension scheme is linked with employment and further contributions are ended with the termination of the employment. The Company's pension schemes comply with local statutory requirements.

## **2.4 Annual Bonus**

The Company's Executive Management has, as a part of their employment terms, a right to participate in the Company's annual bonus program. The bonus program is based on pre-defined and measurable targets, that are linked with the Company's strategy, long-term interests and sustainability goals.

The scheme is cash-based and payment under the bonus program is triggered for each individual if the pre-defined and measurable targets are met.

The bonus consists of both Company targets and individual targets. The Company targets are based on global, budgeted targets for the Group, in close relation with the Company's strategy and goals for long-term growth, cost performance and sustainability. The Company targets are set yearly, and are related to important operational and financial targets and may include categories such as Profit, Cost, Productivity and HSE.

Individual targets should be linked with the Company strategy, and focused towards delivery of budgeted and measurable local or Business Unit KPI's, pre-defined Performance measures such as project deliveries or individual improvement, and be structured as SMART targets.

The Company targets normally accounts for 70% and the Individual target accounts for 30% of the bonus.

The Bonus targets are individually weighted according to importance and how the target contribute to achieving the Company's goals. The Bonus target related to Profit is normally given a higher target weight.

Minimum thresholds and a range for partial bonus award for partial target achievement may be defined. Maximum bonus award is achieved only when all targets are fully met.

The size of the bonus is, for each individual, limited to a share of the person's fixed salary. Such bonus should normally not exceed 50% of the fixed salary.

## **2.5 Share option scheme**

The share based option scheme is a key element in the Company's ability to attract and retain high performing leaders that will play a core role in reaching the Company's long-term business goals. The share option scheme establishes a strong

shared interest between executive management and shareholders in creating shareholder return.

The scheme is still based on annual allocations by the Board of Directors of a number of European call options with a strike price of 107.5% of the share price at the date of the annual general meeting authorising allocations of options under the scheme. 50% of the options shall be awarded based on the current share option scheme ("**Ordinary Options**"), while 50% of the options shall be awarded based on achievement of performance criteria, measured on the development of the share price compared with those of peers ("**Performance-based Options**")

The options have a term of four years but will become exercisable immediately if a mandatory bid is made for all the shares in Mowi or if Mowi is the non-surviving entity in a merger with another company.

If the holder of the options exercises the options, the Company may settle its obligation through the issue of new shares or, alternatively, by selling treasury shares to the option holder. There will be no lock-up obligation on the shares the option holder receives through the exercise of the option. The exercise of the option is conditional upon the option holder being employed in a non-terminated position in the Company at the date of exercise. The number of shares and the strike price will be adjusted for dividends and changes in the equity capital during the term of the option according to the Oslo Stock Exchange's derivative rules.

Total profit through the exercise of Ordinary Options in a year is capped at one year's salary for the option holder. The total profit of exercise of Performance-based Options in a year is capped at one year's salary for the option holder. If the profit exceeds this limit, the number of shares to be issued will be reduced accordingly. In the event that the Option Holder after the Option Grant is promoted to a more senior position in the Group with a higher salary than in the previous position, the cap on total value shall be calculated on the basis of the Option Holder's fixed salary in the position at the time of Option award, adjusted for ordinary salary development.

Eligibility to the share option scheme is limited to: Company CEO, Executive Management, management and key experts of business areas, subsidiaries and group functions, based on the following criteria:

- the position and individual is important in realising the Mowi Group strategy and ambitions;
- the individual is considered critical for the Business Unit(s);
- the individual is expected to continue in a role covered by the scheme;
- the individual will not retire during the first year of the scheme.

### **3. Termination payment**

The Company has individual agreements on termination payments upon dismissal with the CEO and several members of the Executive Management.

As part of the general terms for Termination Payments, the Board may require the CEO and members of the Executive Management to immediately step down from

the position, and/or assign alternative job content for the duration of the notice period and the Termination Payment period.

The Company will compensate on regular employment terms during the notice period, and thereafter normally pay a Termination Payment of up to 12 months from termination. The right to pension and vacation pay is not accrued from the Termination Payment. If a member of the Executive Management has alternative income or takes on a new employment during the Termination payment period, the Termination Payment will be reduced accordingly.

The duty of Company loyalty remains valid during the Termination Payment period. In the event of breach of Company policy, Company loyalty or general misconduct during the notice or Termination Payment period, the Board may decide to cancel the Termination Payment agreement.

The right to the Termination Payment is linked to a waiver of the general protection against termination under applicable employment laws and the right to file a lawsuit.

#### **4. Procedure**

The Board responsibility is to submit proposed guidelines to the company's Annual General Meeting ("AGM"). The Board must make efforts to avoid conflicts of interests.

The AGM votes and adopts or reject the proposed guidelines. The Guidelines are valid once approved by the AGM. Approved guidelines remains valid until the AGM adopts new guidelines, or until the four year limit in PLCA Section 16-6a (5).

The Board is responsible for paying remuneration and other benefits in accordance with the Guidelines adopted by the AGM. The Board is directly responsible for the determination of the CEO's salary and other benefits, in accordance with the latest Guidelines adopted by the AGM. The CEO is, in consultation with the Chair of the Board, responsible for the determination of the salary and other benefits for the Company's other Executive Management, in accordance with the latest Guidelines adopted by the AGM.

The Board is responsible for publishing the latest Guidelines adopted by the AGM on the Company's website.

#### **5. Temporary deviation from the Guidelines**

The Board can under special circumstances deviate temporarily from the approved guidelines' part 2 on Remuneration and benefits and part 3 on Termination payment.

Special circumstances would normally be:

- if there are extraordinary reasons for doing so in an individual case
- if a deviation is required to secure the long term interest of the Company
- if a deviation is required to secure the financial interest of the Company

A deviation from the Guidelines requires a documented Board decision.