



# REMUNERATION REPORT 2021

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## 1. CONTEXT FOR THE REMUNERATION REPORT

This Remuneration Report describes the principles for the remuneration of the members of the Board of Directors (the Board), the Chief Executive Officer (CEO) and of the members of Executive Management Team (EMT) of Aker BP ASA, and how these principles have resulted in actual remuneration.

The Remuneration Policy is designed to attract, retain and motivate the Board members, the CEO and the EMT at a competitive level. Remuneration is designed to align the interests of the executives with those of the shareholders.

The Remuneration Report complies with the requirements defined in the Norwegian Public Limited Companies Act § 6-16a and 6-16b.

### ORGANIZATIONAL DEVELOPMENT AND COMPENSATION COMMITTEE

The Board has a an Organizational Development and Compensation Committee consisting of three Board members. This committee is established to ensure that remuneration arrangements support the strategy of the business and enable the recruitment, succession planning and leadership development, and motivation and retention of senior executives. It needs to comply with the requirements of regulatory and governance bodies, satisfy the expectations of shareholders and remain consistent with the expectations of the wider employee population. Further, the committee shall ensure that the overall organizational structure is set up to deliver on the company's strategy going forward. In 2021, the committee held three meetings.

## 2. REMUNERATION OF THE BOARD

The remuneration of the Board members is not performance-based but based on a fixed annual fee. None of the shareholder-elected Board members have pension schemes or termination payment agreements with the company. The company does not grant share options to members of the Board.

The General Meeting decides the remuneration of the Board and the sub-committees. The Nomination Committee

proposes the remuneration of the Board to the General Meeting and ensures that it reflects the responsibility of its members and the time spent on Board work. The Board must approve any Board member's consultancy work for the company and remuneration for such work.

Information about all remuneration paid to individual Board members is provided in Note 7 to the annual accounts.

## 3. REMUNERATION OF EXECUTIVE PERSONNEL

The total remuneration consists of a base salary, a pension contribution, an annual bonus based on company performance, and a long-term share-based incentive (LTIP). Members of EMT are covered under the same budget, guidelines, and limitations as other onshore personnel in the company. There is no share-based remuneration in the company,

### FIXED PAY – SALARY

Base salary levels are determined considering the nature of the individual role, individual considerations, the market positioning, and remuneration conditions at Aker BP. The base salary is reviewed annually to ensure that it is set at the right level and potential annual percentage increases are aligned with those of employees in general, except in specific circumstances. The CEO base salary is determined by the Board. Adjustment of the base salaries for other senior executives is decided by the CEO within the wage settlement framework adopted by the Board.

### FIXED PAY – PENSION

Pension is based on a defined contribution plan, and is capped at twelve times the National Insurance scheme basic amount (12G) for all employees including the executive management.

### VARIABLE PAY – BONUS

The company's bonus system is designed to promote performance in line with the company's strategy. The bonus for all employees, including the CEO and EMT, is determined by the company's performance on a pre-defined set of key performance indicators (KPIs) and Company Priorities, which are important improvement initiatives or activities with clear deliverables that are critical for the company's future success.

The KPIs and Company Priorities are each weighted 50 percent when estimating the bonus outcome. The final bonus outcome, following the formulaic assessment of performance relative to targets is specifically reserved as a matter for the CEO and the Compensation & Organisational Development Committee. Accordingly, the committee may exercise its discretion to adjust the outcome upwards or downwards. The CEO has maximum bonus potential corresponding to 100 percent of base salary. For other members of EMT, the maximum potential is 60 percent. The maximum bonus for employees outside the EMT varies from 10 percent to 30 percent depending on position level.

For 2021, bonus for the first half was paid in September 2021, while the bonus for the second half of the year will be paid in February 2022. The bonus was set to 70% of maximum potential based on approximately 35% performance on the KPI's, 95% performance on the priorities and a discretionary adjustment.

The KPIs and Company Priorities for 2021 are specified below. The targets and the stretch targets are labelled 'execute' and 'improve' respectively.

Key Performance Indicators for Aker BP 2021	Execute	Improve	Actual
Safety (SIF per million hours)	0.45	0.4	0
Production (mboepd)	215	220	209.4
Production cost (USD/boe)	8.5	8	9.2
Net reserve additions (mmboe)	44	75	36
Relative Shareholder Return <sup>1)</sup>	5 %	10 %	-1.8 %
CO <sub>2</sub> intensity - Equity based (kg/boe)	5	4.5	4.8
Value creation (change in risked NPV)	11%	13%	6.3%

1) Versus Index defined as average of Oslo Energy Index and Stoxx Europe 600 Oil & Gas

Company Priorities for Aker BP 2021:

- Deliver Ærfugl Phase II first gas at planned quality and cost
- Complete installation of Hod NUI and ensure readiness to start drilling
- Develop and execute portfolio procurement strategy
- Scale learnings from 2020 HSSEQ incident trends to all assets
- Complete implementation of offshore standardized organization
- Implement remote assistance/access/work for crane inspections
- Build and operationalize a subsurface data factory

- Improve energy efficiency to reduce annual emissions by 10 000 tonnes CO<sub>2</sub>
- End-to-end digital transformation of maintenance and integrity process
- Improve drilling time & cost to deliver top quartile performance
- Improved follow-up of process safety and incidents with quality consequence
- Define governance mechanisms and tool for strategic workforce planning
- Get Valhall wells to full production
- Mature key early phase projects to meet 2022 PDO submission window
- Progress NOAKA to DG2 with break-even below USD 30 per barrel

## VARIABLE PAY - LONG-TERM INCENTIVE PLAN

Certain members of the EMT participate in a five-year incentive program started in January 2019, through December 2023, linked to the relative performance of the Aker BP share price versus a benchmark index consisting of the average of the Oslo Energy Index and the Stoxx 600 Europe Oil & Gas index (each weighted 50 percent). The incentive program payment is calculated as a linear function of market outperformance, where an outperformance of 30 percent or more will result in a payment of the maximum cap. The market outperformance as of year end 2021 was 33%. The maximum total payment is capped at 200 percent of the executive's annual base salary. The CEO incentive program has the same mechanics and start/end date and is capped at NOK 30 million.

There is no possibilities for the company to reclaim variable remuneration.

## OTHER TERMS AND BENEFITS

The CEO and members of the EMT have 6 months mutual notice period. For all other employees, the notice period is 3 months.

Executives receive non-monetary benefits such as phones etc. aligned with local practice. In addition, executives may participate in customary employee benefit programmes, e.g. employee share programmes.

The below table shows the remuneration for the executive management team in Aker BP for 2021 and 2020. The bonus column does not include accruals in relation to the long term incentive plan described in section 3, as any potential payout will depend on the relative share price performance in future periods.

## Remuneration of senior executives in 2021 and 2020\*

USD (1000)		FIXED REMUNERATION			VARIABLE REMUNERATION		Pension expense	Total remuneration	Proportion of fixed and variable remuneration	
		Salary	Payments in kind	Other	Bonus**	Extraordinary items				
<b>Chief Executive Officer</b>										
	Karl Johnny Hersvik	2021	929	121	19	651	-	24	1 743	63% / 37%
		2020	1 021	133	36	521	-	19	1 731	70% / 30%
<b>Special Advisor</b>										
	Øyvind Bratsberg <sup>1)</sup>	2021	344	1	-	91	780	12	1 228	29% / 71%
		2020	409	2	-	156	-	19	586	73% / 27%
<b>SVP Improvement</b>										
	Per Harald Kongelf	2021	423	3	-	171	-	24	622	72% / 28%
		2020	401	2	1	155	-	20	579	73% / 27%
<b>SVP D&amp;W</b>										
	Tommy Sigmundstad	2021	380	12	7	154	-	24	577	73% / 27%
		2020	356	4	20	139	-	19	538	74% / 26%
<b>SVP Exploration &amp; Reservoir Development</b>										
	Evy Glørstad-Clark	2021	392	7	-	160	-	25	584	73% / 27%
		2020	348	3	2	143	-	20	517	72% / 28%
<b>SVP Strategy and Business Development</b>										
	Lene Landøy <sup>2)</sup>	2021	340	5	6	451	-	16	818	45% / 55%
		2020	327	6	-	130	-	19	481	73% / 27%
<b>Chief Financial Officer</b>										
	David Torvik	2021	384	6	3	154	-	23	570	73% / 27%
		2020	346	5	-	139	-	19	508	73% / 27%
<b>SVP HSSEQ</b>										
	Marit Blaasmo	2021	287	3	-	111	-	24	425	74% / 26%
		2020	254	2	0,4	103	-	20	379	73% / 27%
<b>SVP Projects</b>										
	Knut Arne Kristian Sandvik	2021	377	7	-	224	-	25	633	65% / 35%
		2020	305	7	6	205	-	20	543	62% / 38%
<b>SVP Operations &amp; Asset Development</b>										
	Ine Dolve	2021	369	5	6	130	-	25	535	76% / 24%
		2020	294	5	1	91	-	20	410	78% / 22%
<b>SVP Operations &amp; Asset Development - NOAKA</b>										
	Lars Høier	2021	359	4	1	138	-	24	527	74% / 26%
		2020	278	1	5	89	-	19	393	77% / 23%
<b>SVP Strategy and Business Development</b>										
	Jan Rosnes <sup>3)</sup>	2021	209	4	-	49	-	24	287	83% / 17%

1) Special Advisor until 30.06.2021. Extraordinary items includes payments arising from a mutual agreement relating to Bratsberg leaving the company.

2) SVP Strategy and Business Development until 31.08.2021. Bonus includes accrued LTIP payment earned from 2019 to 2021 relating to Landøy leaving the company.

3) SVP Strategy and Business Development since 01.09.2021

\* All remuneration to senior executives is paid in NOK and converted to USD using a yearly average USD/NOK-rate of 8.5991 and 9.4004, respectively for 2021 and 2020. For executives who been in the Executive Management Team only parts of the year, the figures include payroll for the full year.

\*\* Numbers represent actual ordinary bonus earned in 2021, excluding LTIP

## COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND COMPANY PERFORMANCE

The below table shows comparative information on the change of remuneration for each individual executive director over the five most recent financial year, in comparison with

some selected company performance measures and average remuneration for all employees.

### Comparative table over the remuneration and company performance over the last five reported financial years

Annual change (USD 1000)*		2017 VS 2016		2018 VS 2017		2019 VS 2018		2020 VS 2019		2021 VS 2020	
<b>Director`s remuneration</b>		<b>Δ</b>	<b>Δ %</b>	<b>Δ</b>	<b>Δ %</b>	<b>Δ</b>	<b>Δ %</b>	<b>Δ</b>	<b>Δ %</b>	<b>Δ</b>	<b>Δ %</b>
Chief Executive Officer	Karl Johnny Hersvik <sup>1)</sup>	463	31%	57	3%	-623	-31%	360	26%	12	1%
Special Advisor	Øyvind Bratsberg <sup>2)</sup>	61	9%	-126	-16%	-52	-8%	-19	-3%	817	139%
Chief Financial Officer	Alexander Krane <sup>3)</sup>	71	11%	-95	-13%	-75	-12%	-	-	-	-
Chief Financial Officer	David Torvik Tønne	-	-	-	-	-	-	-18	-3%	62	12%
SVP Strategy and Business Development	Lene Landøy <sup>4)</sup>	-	-	-	-	-	-	-13	-3%	470	98%
SVP Exploration	Gro G. Haatvedt <sup>5)</sup>	97	11%	-293	-30%	-	-	-	-	-	-
SVP Exploration	Evy Glørstad-Clark	-	-	-	-	-36	-7%	21	4%	67	13%
SVP Projects	Olav Henriksen <sup>5)</sup>	129	15%	-110	-11%	-130	-15%	-	-	-	-
SVP Projects	Knut Arne Sandvik	-	-	-	-	-	-	-29	-5%	68	12%
SVP Operations	Eldar Larsen	40	7%	6	1%	-	-	-	-	-	-
SVP Operations	Svein Jakob Liknes	-	-	-	-	-75	-14%	-	-	-	-
Chief Operating Officer	Kjetel Rokseth Digre <sup>6)</sup>	-	-	-	-	-	-	-714	-49%	-	-
SVP Operations & Asset Development	Ine Dolve	-	-	-	-	-	-	-	-	101	23%
SVP HSSE	Jorunn Kvåle	44	11%	9	2%	-41	-9%	-	-	-	-
SVP HSSEQ	Marit Blaasmo	-	-	-	-	-	-	16	4%	46	12%
SVP Improvement	Per Harald Kongelf <sup>7)</sup>	-131	-19%	36	6%	-17	-3%	-13	-2%	43	7%
SVP D&W	Arne Tommy Sigmundstad <sup>7)</sup>	-159	-24%	53	10%	-32	-6%	7	1%	39	7%
SVP Reservoir Development	Ole Johan Molvig	57	12%	9	2%	-26	-5%	-13	-2%	-	-
SVP Op. & Asset Development - NOAKA	Lars Høier	-	-	-	-	-	-	-	-	84	19%
<b>Company Performance</b>		<b>Δ</b>	<b>Δ %</b>	<b>Δ</b>	<b>Δ %</b>	<b>Δ</b>	<b>Δ %</b>	<b>Δ</b>	<b>Δ %</b>	<b>Δ</b>	<b>Δ %</b>
Total revenues (USD million)		1 199	88%	1 187	46%	-403	-11%	-368	-11%	2 689	90%
Net profit/loss (USD million)		240	686%	201	73%	-335	-70%	-96	-68%	806	1803%
Average production per day (mboepd)**		12,3	10%	16,8	12%	0,2	0%	54,8	35%	-1,3	-1%
<b>Average remuneration of a full-time equivalent basis of employees (USD 1000)***</b>		<b>Δ</b>	<b>Δ %</b>	<b>Δ</b>	<b>Δ %</b>	<b>Δ</b>	<b>Δ %</b>	<b>Δ</b>	<b>Δ %</b>	<b>Δ</b>	<b>Δ %</b>
Aker BP		0,4	0%	-0,7	0%	-15	-7%	-20	-10%	36	21%

1) 2016, 2017 and 2018 include accrual for previous LTIP scheme which was paid in 2019, with related vacation payroll included in 2020

2) 2021 includes payment arising from a mutual agreement relating to Bratsberg leaving the company

3) 2016 and 2017 includes accrual for previous LTIP scheme

4) 2021 includes accrued LTIP payment earned from 2019 to 2021 relating to Landøy leaving the company

5) 2016 and 2017 includes accrual for previous LTIP scheme

6) The main reason for the decrease from 2019 to 2020 is sign on fee received in 2019

7) The main reason for the decrease from 2017 to 2016 is sign on fee received in 2016

\* All remuneration to Aker BP employees is paid in NOK and converted to USD using a yearly average USD/NOK - rate of 8.3990, 8.2630, 8.1338, 8.8037, 9.4004 and 8.5991, respectively for 2016, 2017, 2018, 2019, 2020 and 2021.

\*\* For production per day in 2016, the fields from previously BP Norge have been included for the full year 2016, for comparison purposes

\*\*\* Average remuneration is based on taxable income for the employees for any given year. Based on this approach, the average remuneration for 2020 is low, as it only includes bonus for 0,5 year (half of 2019) while 2019 includes full year bonus for 2018 and 2021 includes full year bonus of 2020 as well as half year for 2021.

## 4. GOVERNANCE

### REVIEW OF REMUNERATION REPORT

The Board has the overall responsibility for reviewing the Remuneration Report. The Organizational Development and Compensation Committee has the responsibility for reviewing and proposing changes to the Remuneration Report. The Organizational Development and Compensation Committee is a sub-committee of the Board.

The Organizational Development and Compensation Committee reviews the Remuneration Policy and recommends to the Board any amendments to be proposed by the Board for adoption by the Annual General Meeting. The Remuneration Report will be presented for an advisory vote at the Annual General Meeting.

### AUTHORISATION FOR THE BOARD

In accordance with Section 6-16a of the Norwegian Public Limited Liability Companies Act, the Board is authorised to approve temporary deviations from the Policy on any element of remuneration described in this Policy. Deviations shall be considered by the Organizational Development and Compensation Committee and shall be presented to the Board for approval. Deviations may only be made in specific cases if there are special reasons outside of normal business that make it necessary to increase reward in order to help secure the Company's long-term interests, financial viability and/or sustainability by recognising exceptional contributions.

In 2021, the company's remuneration has been in accordance with the policy and guidelines described above.



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To the General Meeting of Aker BP ASA

## Independent auditor's assurance report on report on salary and other remuneration to directors

### Opinion

We have performed an assurance engagement to obtain reasonable assurance that Aker BP ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2021 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

### Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

### Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 8 March 2022  
KPMG AS

Roland Fredriksen  
State Authorised Public Accountant

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Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

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