

# Remuneration policy for Aker BP

## 1. Context for remuneration policy

The remuneration policy describes the framework for remuneration of the members of the board of directors (the board), the chief executive officer (CEO) and the executive management team (EMT) of Aker BP ASA.

The remuneration policy is designed to attract, retain and motivate the board members, the CEO and the EMT at a competitive level. The components of the remuneration package are designed to align the interests of the executives with those of the shareholders.

The remuneration policy complies with the requirements defined in Section 6-16a of the Norwegian Public Limited Liability Companies Act and supplementing regulations.

## 2. Remuneration policy governance

### Organisational development and compensation committee (ODCC)

The board of directors has appointed an organisational development and compensation committee (ODCC) consisting of three board members. The committee is established to ensure that remuneration arrangements support the business strategy and enable recruitment, succession planning and leadership development, as well as motivation and retention of senior executives. It must 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 organisational structure is set up to deliver on the company's strategy going forward.

The committee is responsible for preparing the remuneration policy that is submitted to the annual general meeting for approval at least every four years and in connection with any significant revision.

## 3. Remuneration of the board

The remuneration of the board members is 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 determines 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.

## 4. Remuneration of executive management

The components of executive management remuneration consist of a base salary, a pension contribution, an annual bonus based on company performance, and a long-term share-based incentive plan (LTIP). Members of the EMT are covered under the same budget, guidelines, and limitations as other onshore personnel 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 it is set at the right level based on performance evaluation and contribution to business objectives. 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.

### Pension and insurance

Executives are included in the company's pension and insurance schemes. 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 executive management.

### Variable pay

The company's variable pay program is designed to incentivise delivery on short and long-term business objectives and to maximise alignment with shareholder value creation. The variable pay program is directly linked to the company's performance and measurable pre-defined performance factors such as key performance indicators (KPIs), company priorities and increased shareholder value.

Earnings from variable pay schemes shall not exceed 100% of the fixed cash remuneration in a given calendar year. The earnings may be paid in cash or as shares in the company. Payment of bonus is subject to continuous employment for the full term of the variable pay program.

### Annual variable pay scheme - bonus

The company's annual bonus program is designed to promote performance in line with the company's strategy. Payment 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 maximum bonus potential for the CEO and members of the EMT is 60 percent of base salary. The maximum bonus for employees outside the EMT varies from 10 percent to 30 percent depending on position level.

The final bonus outcome, following a formula-based assessment of performance relative to targets is specifically reserved as a matter for the CEO and the ODCC. Accordingly, the committee may exercise its discretion to adjust the outcome upwards or downwards. Normally, the bonus is based on full-year measurement of the same KPIs, initiatives and company priorities throughout the year.

### Long-term variable pay scheme - LTI

The long-term variable pay scheme ensures long-term focus, consistent shareholder value creation and retention of executives. The program is designed to incentivise the executive directors to deliver on the long-term business objectives and to maximise alignment with shareholder value creation. The program is an equity settled, share-based payment scheme with a three-year vesting period.

Grants are made under the program on an annual basis for all members of the EMT, starting July 2022. Grant size is maximum 40 percent for the EMT members. The award includes a three-year performance condition at the end of which there will be an assessment of the company's total shareholder return measured against Oslo Energy Index, Stoxx 600 Europe Oil & Gas index and the S&P Commodity Producers Oil & Gas Exploration & Production Index (each weighted 33.3 percent), to reflect the company's business strategy and key ambitions. Based on performance, the number of shares awarded will be adjusted as follows:

Outperformance of the market	Pay-out of base salary
30% or above	40%
15%	30%
0%	20%
-15%	10%
Less than -15%	0%

The shares convert to ordinary shares upon vesting, with a subsequent lock-in period for the employee of one year. The LTIP agreements also include a clawback clause in the event of serious misconduct by an individual.

The same structure with a maximum grant size of 25 percent is proposed for a limited group of core and critical employees as a significant retention incentive. Potential participants in the LTI program outside the EMT will be identified and evaluated based on a set of criteria defined within 1H 2023.

### Other terms and benefits

Executives receive non-monetary benefits such as electronic equipment, annual health checks and other company-specific general benefits and welfare programs. In addition, executives may participate in customary employee benefit programmes, e.g. employee share programme.

### Termination of employment and severance pay

The CEO and members of the executive management team have a mutual notice period of six months. For all other employees, the notice period is three months. The CEO and the chief financial officer (CFO) are entitled to a severance payment equivalent to six months' salary, commencing after the six-month notice period, when the resignation is requested by the company.

### Deviations from the policy

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 ODCC and 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 rewards to help secure the company's long-term interests, financial viability and/or sustainability by recognising exceptional contributions.