



Remuneration Report 2021

Grieg
Seafood®

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Context for the Remuneration Report

This Remuneration Report describes the principles in which remuneration for the Board of Directors and the executive management team for Grieg Seafood ASA have resulted in actual payment.

The remuneration policy's fundamental principle is that executive remuneration should be suited to attracting and keeping talented executives without being the salary leader relative to the industry, and without the variable salary becoming such a large part of the total wage compensation that it can lead to unfortunate incentives and short-term perspectives.

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

Compensation Committee

The Remuneration Committee is governed by a separate set of instructions adopted by the Board of Directors. The members of the Remuneration Committee are appointed by and from among the members of the Board of Directors and shall be independent of the Company's executive management. As of 31 December 2021, the Remuneration Committee consisted of:

Board's Remuneration Committee	Role	Considered independent
Per Grieg Jr	Chair	No
Marianne Ødegaard Ribe	Member	Yes

The primary purpose of the Remuneration Committee is to assist and facilitate the Board's decision-making in matters related to the remuneration of the group management team, review recruitment policies, career planning and management development plans, and prepare matters relating to other material employment issues with respect to executive management.

General Overview of the Financial Year 2021

2021 was a year of contrasts. At the beginning, we were still in the middle of the Covid-19 pandemic, with health and safety measures in place throughout our operations and markets in lockdown. We also experienced a challenging biological situation in several regions. At the end of the year, the pandemic was in a new phase, with eased restrictions and increased demand for salmon. The biological condition of our fish had improved significantly, with increased survival in all regions and better sea lice and disease control. Altogether, we harvested more fish than we have ever done before in a single year.

In 2021 we continued our work and projects on social responsibility and sustainability. We were pleased to achieve second place on the Collier FAIRR Protein Producer Index, which rates global protein producers according to sustainability, as well as an A list rating by Carbon Disclosure Project (CDP) for climate action.

Company performance 2021

The Group harvested 75 601 tonnes GWT in 2021, up 4 459 tonnes GWT from 71 142 tonnes GWT in 2020. Total sales revenue for the year totaled NOK 4 599 million, up NOK 214 million from NOK 4 384 million in 2020. EBIT before production fee and fair value adjustments of biological assets in 2021 ended at NOK 442 million, up NOK 209 million from NOK 233 million in 2020. This brought EBIT per kg to NOK 5.9 per kg for 2021, up NOK 2.6 per kg from NOK 3.3 per kg in 2020. The higher EBIT in 2021 compared to 2020 is primarily attributable to a 28% increase in harvest volume from Finnmark, as well as good price achievement in British Columbia. The net profit in 2021 was NOK 604 million compared to NOK -316 million in 2020.

Key Figures** (NOK Million)	2016	2017	2018	2019	2020*	2021*
Revenue	6 545	7 017	7 500	8 274	4 384	4 599
EBITDA	1 342	1106	1334	1 498	602	818
EBIT before fair value adj	1 168	904	1 099	1 088	233	442
Profit/loss for the year	1 222	601	997	645	-316	604
Return on Capital Employed (ROCE)	33%	24%	22%	19%	3%	6%
Earnings per share (NOK)	10.7	5	8.8	5.6	-4.8	10.7

*Ex. Shetland. The shares in Grieg Seafood Hjaltdland UK Ltd the holding company of Grieg Seafood Shetland UK Ltd were sold 15 December 2021. Throughout 2020 and 2021 (up until the sale), the Shetland assets has been classified as assets held for sale and the income statement has been presented as discontinued operations. For 2016 - 2019 the figures include the assets of Shetland and are not restated. In 2020, we sold all our shares in Ocean Quality AS, which throughout 2020 and up until the sale, for the part of Ocean Quality related to sale of fish from Bremnes Fryseri AS, was classified as assets held for sale and presented as discontinued operations. In this table the figures for 2016 - 2019 is including Ocean Quality AS and is not restated. See Note 5 in the annual report of 2021 and 2020 for more information.

** See more information in the Alternative Performance Measures of our annual report of 2021.

Remuneration of Executive Personnel

Fixed Pay - Salary

A fixed basic salary is the main component of executive compensation and should reflect competitive terms, taking into consideration the industry, qualifications and ensuring effective operations to influence the Company's strategic direction. The fixed salaries for executive management are evaluated annually by using Grieg Seafood's internal routines for salary adjustments.

Fixed Pay – Pension

The Company has a defined contribution pension scheme in Norway that is common for all Norwegian employees. The CEO is entitled to his own pension agreement for salary above 12 G, but this was never implemented and will be compensated by a one-time payment and salary adjustment.

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.

Fixed Pay – Severance Pay

The CEO, CFO, CTO, and COO Farming Europe have agreements for severance pay of 12 month's salaries.

Fixed Pay – Options and other forms of share-based compensation or share price development-based remuneration

A synthetic option scheme has been established for the management team and regional directors. The Board in Grieg Seafood ASA wants them to be shareholders in the Company through the option programme. The Board believes this is a key tool to successfully realise its ambitions and build the Company by allowing the management team and regional directors to receive a part of the Company's dividend from growth and success.

The Remuneration Committee evaluates the option programme and makes the allocation in accordance with the Annual General Meeting's framework.

A synthetic cash option scheme requires participants' direct shareholding throughout the programme's duration. The option holders are obliged to use 50% of the net gain of the scheme for the purchase of shares until the shares have reached a threshold corresponding to the individual's fixed annual salary.

Variable pay – Performance-based pay scheme

By meeting the budget and achieving good financial results, the variable compensation can be awarded.

The Company's bonus system is designed to promote performance in line with the Company's strategy. The bonus for all employees, including the executive management team, is determined by the Company's performance on a pre-defined set of key performance indicators (KPIs) and Company/personal goals or priorities.

The KPIs consist of:

- Annual EBIT before production fee and fair value adjustment of biological assets
- Annual farming cost per kilo harvested volume
- Personal goals

These KPIs are defined further in accordance with each employee or department. They are measured on a scale from 1 to 6. Bonus is calculated by the number of fixed monthly salaries divided into four different positions. The maximum bonus per year is six-month salary for CEO, and five-month salary for the top management.

For 2020, neither the EBIT nor farming cost target for the Group was met. Therefore no bonus was paid out for this year for the executive management. For 2021, the EBIT was measured at 1. The farming cost target was not met. The personal goals are individual measured. See the table remuneration for executive management for 2021 and 2020 below.

In 2020 two of management team have retained bonus. CCO in connection to change jobs. COO Farming Europa has retained bonus as a regional director for Grieg Seafood Rogaland in accordance with the KPI requirements for that company. He changed position to CCO Farming Europa from May 2020. Both bonuses were paid out in 2021.

Variable pay- Share purchase program

The Company's share purchase program shall stimulate co-ownership and common interest in the Company. The Board can decide annually that all employees including executive management are offered shares at a discount. All permanent employees who have been employed at least 6 months in Grieg Seafood ASA or a 100%-controlled subsidiary are included in this program. Minor changes in qualifications for this program can be approved by the Remuneration Committee.

Other terms and benefits

Executive management can be awarded other special benefits that are common in the industry. The executive management, like other employees, are enrolled in Grieg Seafood ASA's current collective life and health insurance scheme. In addition, some of the executive management is covered by the Company's board liability insurance.

The Company does not operate with maximum levels when allocating other special benefits. The level of benefits is determined in relation to market levels and by what is considered appropriate for individual circumstances.

No variable salary was recovered from any of the Executives during 2021.

The below tables show the remuneration for executive management for 2021 and 2020.

NOK 1000	Fixed Remuneration			Variable Remuneration				Total Remuneration	Proportion of fixed and variable remuneration	
	Year	Salary	Other	Bonus	Options exercised	Other	Pension expense			
CEO	2021	3165	29	540		8	79	3821	84%	16%
Andreas Kvame	2020	2841	22		2709	17	76	5665	51%	49%
CFO	2021	2280	29	313		2	79	2703	85%	15%
Atle Harald Sandtorv	2020	2173	22		2070	1	76	4341	51%	49%
CTO	2021	2063	29	241		2	79	2414	87%	13%
Knut Utheim	2020	1996	22		1868	0	76	3962	51%	49%
CHRO	2021	1604	29	216		4	79	1932	85%	15%
Kathleen Offman Mathisen	2020	1574	22		1431	4	76	3108	51%	49%
COO Farming Europe*	2021	1910	222	203		14	79	2427	88%	12%
Alexander Knudsen	2020	1107	147	75**		17	76	1422	88%	12%
COO Farming North America*	2021	1772	0	244		0	79	2095	85%	15%
Roy-Tore Rikardsen***	2020	1067	6			0	76	1149	93%	7%
CCO****	2021	1996	28	350		3	79	2456	82%	18%
Erik Holvik	2020	525	4	161*****		0	76	766	69%	31%
GCM	2021	1190	28	119		14	71	1423	86%	14%
Kristina Furnes	2020	1035	14			10	68	1126	93%	7%

*COO since 1.5.2020, remuneration calculated for this position.

**Bonus retained in 2020 to COO Farming Europa was in relation to his position as regional director for Grieg Seafood Rogaland.

***Net sum, position based in Canada.

****CCO since 1.10.2020, remuneration calculated for this position.

***** Retained bonus to CCO in 2020 was in connection to change job.

Comparative information on the remuneration for the group, the last five years

Annual Change NOK 1000		2017v2016		2018v2017		2019v2018		2020v2019		2021v2020**	
		NOK	%	NOK	%	NOK	%	NOK	%	NOK	%
CEO	Andreas Kvame	1466	34%	-160	-2.75%	369	6.53%	-354	-5.88%	-1844	-32.55%
CFO	Atle Harald Sandtorv	80	2%	-78	-2.10%	277	7.62%	431	11.02%	-1638	-37.73%
CTO	Knut Utheim	425	14%	11	0.31%	557	15.55%	-177	-4.28%	-1548	-39.07%
CHRO	Kathleen Offman Mathisen	927	104%	1466	80.77%	228	6.95%	-401	-11.43%	-1176	-37.84%
COO Farming Europe	Alexander Knudsen									1005	70.68%
COO Farming North America	Roy-Tore Rikardsen*									946	82.33%
CCO	Erik Holvik									1690	220.63%
GCM	Kristina Furnes									298	26.47%
Average remuneration of a full-time equivalent basis of employees											
Grieg Seafood ¹		-90	-14%	25	4%	13	2%	-29	-5%	81	14%

*Net sum, position based in Canada

**No options were exercised in 2021, see table under Share based payments.

1. Grieg Seafood Shetland UK LTD and Sjør AS (Ocean Quality AS) is not included in the figures when they were present as held for sale from 2020 and 2021 (up until the sale). Sjør AS was sold December 2020 og GSF Shetland UK LTD was sold December 2021.

From 2016 up to 2020, CEO, CFO, CTO and CHRO represented the executive management in Grieg Seafood Group. From 2020 the management team was extended with CCO, GCM and COO Farming Europa and COO Farming North America. The position COO Farming Europa and COO Farming North America was from May 2020. The position CCO was from October 2020.

Share based payments

The Group has issued options to the Group Management team and regional directors. The options' strike price is the stock market price on the date of issue, rising by 0.5% per month until the exercise date. Since 2009, an option scheme with settlement in cash has been established for Group Management and regional directors. The most recent allocation was in 2020, totalling 1 890 000 options. The final exercise date is 31 May 2024. The options have a term of two years, where 50% is vested each year. Employees joining the Group after the initial allocation of options, are allocated options on taking up employment.

The Black & Scholes option pricing model is used to calculate the market value. A brokerage firm is used to perform the calculations and the measurement is according to level 3 of the fair value hierarchy (see Note 4 and Note 17 in annual report 2021). The table below shows the movement in outstanding options in 2020 and 2021.

Overview 2021 (total options)	Option category	Outstanding options at 31.12.2020	Outstanding options at 31.12.2021
Andreas Kvame (CEO)	Cash settlement	540,000	540,000
Atle Harald Sandtorv (CFO)	Cash settlement	270,000	270,000
Knut Utheim (CTO)	Cash settlement	270,000	270,000
Kathleen O. Mathisen (CHRO)	Cash settlement	200,000	200,000
Kristina Furnes (GCM)	Cash settlement	100,000	100,000
Alexander Knudsen (COO Farming Europa)	Cash settlement	270,000	270,000
Roy Tore Rikardsen (COO Farming North America)	Cash settlement	270,000	270,000
Erik Holvik (CCO)	Cash settlement	170,000	170,000
Total		2,090,000	2,090,000

Governance

Review of the remuneration report

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

The Remuneration 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.

Authorization for the board

The Board of Directors in Grieg Seafood ASA shall prepare a salary report for each accounting year in accordance with the Norwegian Public Limited Liability Companies Act, 6-16b which gives an overall summary of paid and accrued wages and remuneration encompassed by these guidelines.

The Board of Directors has appointed a Remuneration Committee, consisting of at least two members appointed by the Board. The Committee functions as an advisory body for the Board of Directors and shall ensure that Grieg Seafood ASA establishes, audits and implements the Company's "Guidelines for remuneration of executive personnel in Grieg Seafood ASA." Proposals for significant changes in the guidelines are evaluated by the Committee, while preparing proposals for changes to the Annual General Meeting. The Board of Directors is authorised by the Annual General Meeting to adjust the applicable salary remuneration and incentive plans to remain appropriate and competitive

In 2021 there were no deviations in the Company's remuneration.

Information on shareholder vote

Pursuant to Section 6-16 b (3) of the Companies Act, this report shall include an explanation of how the result of the Annual General Meeting's advisory vote on the Report on salary and other remuneration of leading personnel for the previous year has been taken into account. However, as the Guidelines were approved by the Annual General Meeting on June 2, 2021 and no report was prepared for 2020, cf. Section 7(2) of the Regulation, this requirement is not relevant.



To the General Meeting of Grieg Seafood 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 Grieg Seafood 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.

Bergen, 19 May 2022
PricewaterhouseCoopers AS

Sturle Døsen
State Authorised Public Accountant

Attestation remuneration report

Signers:

Name	Method	Date
Døsen, Sturle	BANKID	2022-05-19 15:34



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