

# Board of directors' statement regarding salaries and other remuneration of executive personnel in Lerøy Seafood Group ASA

The guidelines for financial year 2018 have been followed by the company. Application of the same guidelines is recommended for the upcoming financial year.

The guidelines are recommended for the Board with the exception of the items related to options and other benefits based on shares or development in the share price in the Group, which are binding.

## Main principles of the Company's salary policy

The Group's development is closely linked to the Group's ability to recruit and retain managerial staff and the Group employs various models for remuneration of executive personnel on competitive terms. Executive personnel receive salary according to market terms. Remuneration varies over time both in respect of level and method of payment. In addition to the annual salary, the Group also pays performance-based bonuses limited to one annual wage, lump sum payments, so-called sign-on fees, arranged leave of absence, educational opportunities and option agreements. The Group does not currently have an option programme. The Group has collective pension plans. For logical reasons and to date, the Chairman of the Board has handled all practical matters in respect of agreements with the Group CEO on behalf of the Board. Remuneration of other members of the corporate management is determined by the CEO in consultation with the Chairman of the Board. Remuneration is reviewed annually, but on a long-term perspective, ref. the requirement for continuity.

## Principles of remuneration in addition to base salary

**The base salary.** Salaries to executive personnel must be competitive – Lerøy Seafood Group aims to attract and retain the most talented management. The base salary is normally the main element of executive personnel salaries. There is at present no particular limit on the total remuneration a senior staff member may earn.

**Additional remuneration: bonus scheme.** The salary earned by executive personnel must inspire high performance and must be structured to motivate extra efforts towards continuous improvement of operations and the company's performance. The Group utilises performance-based bonuses of a maximum of one year's salary.

**Options.** The Group does not currently have an option programme.

**Pension plans.** All companies in the Group satisfy the requirements in the Act relating to mandatory occupational pensions (Norwegian: OTP). At the time of writing, the Group only practises defined contribution pension plans. The Group's executive personnel participate in the company's collective pension plans.

**Severance pay.** The Board limits the use of so-called severance pay agreements, but these have been practised in a few cases, albeit limited to two years' salary. Severance pay may at times be a good alternative for all parties involved.

**Non-pecuniary benefits.** Executive personnel will normally receive non-pecuniary benefits commensurate with their positions. There are no particular limitations on the type of non-pecuniary benefits that can be agreed.

**Other benefits.** In connection with public share issues, the first of which took place in 1998, the company's employees have been granted the right to subscribe to a limited number of shares at a discounted price (20%).

#### Procedure for stipulating executive pay

**Introduction.** Please see the note to the financial statements for information on remuneration of individual executive personnel.

**Stipulation of salary for Group CEO.** Remuneration of the Group CEO is determined annually by the Chairman of the Board according to a mandate issued by the Board.

**Stipulation of salary for the corporate management group.** Remuneration of the individual members

of the corporate management group is determined by the CEO in consultation with the Chairman of the Board. The Board of Directors shall be subsequently informed of the decision.

**Establishment of incentive schemes.** General schemes for payment of variable benefits, including bonus schemes, are established by the Board of Directors. The Group CEO allocates such incentive schemes and other benefits to the Group's executive personnel within the boundaries established by the Board.

**Remuneration of the Board of Directors.** Board remuneration is not performance-based. The Board members have no options. The Board's remuneration is determined annually by the annual general meeting.

#### Stipulation of salary for executive personnel in other group companies

Other companies in Lerøy Seafood Group shall adhere to the main principles in the Group's executive personnel salary policy as they are described in item one above.

Bergen, 12 April 2019  
The Board of Directors of Lerøy Seafood Group ASA



Helge Singelstad  
Chairman



Arne Møgster  
Board member



Britt Kathrine Drivenes  
Board member



Didrik Munch  
Board member



Karoline Møgster  
Board member



Siri Lill Mannes  
Board member



Hans Petter Vestre  
Board member