

APPENDIX 4 - DECLARATION OF EXECUTIVE REMUNERATION

This statement is prepared by the Board of Directors (the **Board**) of Prosafe SE (**Prosafe** or the **Company**) in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act. The statement contains the guidelines and main principles for the Company's remuneration of the Executive Management applicable to the financial year 2020.

This statement has been prepared as a separate document to be presented to the Company's Annual General Meeting to be held on 7 May 2020.

A. From the Compensation Committee

Details of the remuneration of the Executive Management are presented in note 6 to the Company's 2019 annual financial statements. The process for the establishment of an effective reward package is set out in the Terms of Reference of the Compensation Committee, as set by the Board, which will recommend annual changes to the package to the board of directors for their approval.

Prosafe's' Compensation Philosophy is designed to ensure alignment with shareholders' expectations and to drive performance according to agreed strategy and targets.

The base compensation is competitively designed to attract and retain talented people who have a passion for business and continuously demonstrate the highest levels of performance. In contrast, the variable element seeks to drive short-term focus around specific performance targets. The requirement to invest a portion of variable pay earned into company shares is suspended and replaced by a deferred payment scheme to support retention and longer term incentives. It is the intention to reinstate the obligation to invest part of the incentive in shares at a prudent time.

The year 2019 was characterized by a prolonged downturn and weaker market outlook for accommodation services, particularly in the North Sea. This was reflected in low fleet utilisation, low day rates and a negative financial result for the year. Following a substantial impairment charge made to the book value of vessels in November 2019, Prosafe has been in a dialogue with its lenders with a view to ensure sufficient flexibility for the longer term. The Executive Management have worked diligently and have secured a number of contract awards, downsized the organisation to reduce costs and preserve cash, and continued its efforts to deliver new efficiencies and operational performance.

The Board proposes to keep the level of the 2019 base compensation in 2020. The variable compensation will be reduced by about 40% compared to 2019. 70 % of the variable compensation will be based on the achievement of targets and 30 % is held for a discretionary allocation decided by the Board.

Nina Udnes Tronstad, Chair of the Compensation Committee
11 March 2020

B. PHILOSOPHY

The terms of employment of the CEO and the Executive Management are determined by the Board, based on a detailed annual assessment of their salary and other remuneration.

Prosafe aims at providing a competitive total package for Executive Management. The basis for comparison is other listed service companies in the oil and gas sector in the geographic areas where Prosafe pursues its operations. The total remuneration package for the Executive Management comprises three principal elements – base pay, variable pay and other benefits such as pension.

The variable pay of the Executive Management is performance related and linked to the operations and development of the Company for the purpose of value creation for shareholders. It is aligned to the Company's strategy, as set by the Board, and subject to the ethics and values of the Company. The Board reserves the right to reduce or even cancel any variable pay should unforeseen events damage the Company's reputation and/or safe operating record.

C. TARGETS AND BENEFITS

Remuneration element	Target	Award level	Performance criteria
Base salary	Attract and retain the right individuals providing competitive but not market leading terms	Please refer to note 6 to Consolidated accounts	Competitive in line with industry benchmark
Short-term incentive	Drive and reward individuals for annual achievements of business objectives and maintain a strong link between compensation and Company's financial performance	Average of 28%	EBITDA SG&A costs Operating costs Investments Strategic projects Operational performance HSEQ results New contracts
Long-term incentive	Strengthen the alignment of top management and shareholder interests and retention of key employees	The duty to purchase shares for bonus pay-outs over a certain limit has been deferred until further. Pay-outs of amounts above a certain limit are deferred with 50% in March 2021 and 50% in March 2022.	Development according to strategy and targets agreed with the Board. Pay-out of any deferred amount is contingent upon no 'bad leaver' situation having occurred.

Pension & Insurance scheme	Industry competitive pension	Norway: i) 7 % of gross salary between 1 – 7,1 G plus 10 % of gross salary between 7,1 - 12 G. In addition 9% of gross salary. United Kingdom: 10% of gross salary	N/A
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The Board of Directors of Prosafe SE

Oslo, 11 March 2020