



**CORPORATE  
GOVERNANCE  
IN PROSAFE**

Prosafe’s system of corporate governance forms the basis for a transparent business model with clear segregation of roles, responsibilities and accountabilities between shareholders, the Board of directors and executive management.

#### **NORWEGIAN CODE OF PRACTICE**

Prosafe SE is a European public company (Societas Europaea) listed on the Oslo Stock Exchange.

Corporate governance in the company follows the principles contained in the Norwegian Code of Practice for Corporate Governance in its latest version of 14 October 2021 (the “**Corporate Governance Code**”). The company is committed to ensuring that high standards of corporate governance are maintained to ensure the greatest possible value creation over time in the best interests of shareholders, employees and other stakeholders.

In this report on Corporate Governance, Prosafe accounts for the corporate governance principles and practices as required by the Accounting Act Section 3-3b and the details of how Prosafe complies with the Norwegian Code of Practice for Corporate Governance.

## **1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE**

The Norwegian Code of Practice for Corporate Governance covers 15 topics which are designed to ensure that the division of roles between shareholders, the Board of directors and the company’s executive management is regulated in a way that strengthens confidence among shareholders, employees, the capital market and other interested parties to ensure control and compliance, equal treatment of shareholders and maximum value creation over time.

The company’s Corporate Governance Report that covers every section of the Code of Practice is included in the annual report and published on Prosafe’s website at <https://www.prosafe.com/investor-information/corporate-governance/>

#### **GOVERNANCE STRUCTURE**

Prosafe’s governance structure is set out below.



## 2. THE BUSINESS

Prosafe's Articles of Association together with its vision, strategy, goals and reporting provide the necessary information which enables shareholders to understand, monitor and anticipate the scope of its activities.

Prosafe's objective is to own and operate vessels and other offshore tonnage, related to oil and gas activities, as well as conduct any activity related to ownership and operation related to this. Prosafe SE may invest in companies within the same or other sectors.

Prosafe's vision is to be a leading and innovative provider of technology and services in selected niches of the global offshore energy industry.

Prosafe's strategy is to be the preferred provider of high-end accommodation vessels globally.

The company's objectives, strategy, commercial outlook, operations, risks, financial status, business plans, forecasts and clearly defined focus areas are regularly and at least yearly reviewed by the Board on the basis of an Annual wheel related to the Board meetings. In these reviews, the sustainability of the company's objectives, strategy and risk profiles is considered in order to ensure that they are closely linked with the company's activities and create value for shareholders in a sustainable manner. The reviews are supplemented by ongoing dialogue between the Board and executive management, monthly reporting and ad hoc / weekly reporting and updates of all significant matters.

Prosafe's Code of Conduct which is published on Prosafe's website gives guidelines about the company's ethical guidelines and the corporate social responsibilities which it undertakes. Prosafe is committed to transparency, respect for employee and human rights and has a zero-tolerance policy towards bribery and corruption. This is further reflected in Prosafe's policies and procedures, including Prosafe's Corporate Social Responsibility (CSR) Policy.



### 3. EQUITY AND DIVIDENDS

Prosafe's consolidated equity was positive as at 31 December 2021, after the restructuring was completed and fully implemented in December 2021.

The following conversion of bonds in respect of the equity of Prosafe occurred during 2021 after the company on 6 August 2021 exercised its right to convert the outstanding amounts under the convertible bonds to shares:

Date	Convertible bonds ISIN	Nominal value (NOK)	No. of new ordinary shares	Conversion price per share	Remaining out-standing principles (NOK)	No. of out-standing shares	Nominal value (Euro)
23 Aug 2021	ISIN NO 0010771025	35,706,341	1,428,253	25	0	83,892,465	0.1
23 Aug 2021	ISIN NO 0010781008	122,836,000	4,094,533	30	0	87,986,998	0.1

After the conversion in August 2021, Prosafe has zero outstanding convertible bonds. All previous outstanding warrants were cancelled as part of the restructuring in December 2021.

In the financial restructuring that was completed in December 2021, a significant de-leveraging of the balance sheet took place. In step 1, the conversion of USD 996 million of debt in return for 7,894,088,600 shares in Prosafe SE to creditors was implemented. After the step 1 conversion, the aggregate amount of 7,894,088,600 shares were issued at a conversion rate of EUR 0.1116.

In step 2, USD 91 million debt was converted in return for 816,624,191 shares to creditors. The conversion rate was EUR 0.1113, and EUR 0.0884 for two creditors with separate agreements.

After finalization of the step 1 and the step 2 conversions, including original share capital, the aggregate amount of 8,798,699,789 shares of nominal value EUR 0.05 was outstanding and the share capital was EUR 439,934,989.45 at 31 December 2021.

The restructuring required the issuance of a large number of shares with a dilution effect that led to a significant reduction in the share price in the market. According to continuing obligations for listed issuers of shares, the market value of the issuer's shares shall not be lower than NOK 1. After the restructuring, the market value of Prosafe SE's shares was lower than the minimum requirement.

On 25 January 2022, an Extraordinary General Meeting therefore resolved a reverse stock split in the ratio 1,000:1 to reduce the number of outstanding shares in the market. Existing shares were consolidated into fewer and proportionally more valuable shares. The company's share capital is EUR 439,934,950 divided into 8,798,699 shares each with a nominal value of EUR 50.



Mandates and authorities for different purposes such as increase of share capital or share buy-backs are considered separately at each annual general meeting (“AGM”) and are generally limited in time and valid to the date of the next AGM.

Prosafe's long-term objective is to provide shareholders with a competitive, risk-adjusted yield on their shares through a combination of share price appreciation and direct return in the form of dividend. The company has not paid dividends since 2015. Under the latest amended and restated facility agreements, i.e. following the restructuring in December 2021, dividend may only be paid after obtaining prior written consent of the majority lenders.

As the company in relation to a reverse share split has resolved to reduce the share capital for coverage of loss that cannot be covered otherwise without notice to the creditors, a resolution to distribute dividends may not be adopted until three years have elapsed from the registration in the Register of Business Enterprises on 26 January 2021, unless the share capital subsequently has been increased by an amount at least equal to the reduction of EUR 39.45.

## 4. EQUAL TREATMENT OF SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Prosafe has one class of shares in issue and all shares are equal in all respects. Each share carries one vote. The company treats all shareholders in a non-discriminatory manner ensuring that all relevant information and the proposed resolutions are distributed in the call for the general meeting to allow the shareholders adequate time to prepare for the meeting.

Should the Board wish to propose that the AGM departs from the pre-emptive right of existing shareholders relating to any capital increase, such a proposal will be justified by the common interest of the company and the shareholders, and the reasons for the proposal will be presented in the notice of the AGM as well as publicly disclosed in a separate stock exchange announcement.

Prosafe SE holds 195,972,167 shares in Prosafe SE. These shares, which were issued in December 2021 as part of the conversion of debt towards Cosco, are owned by Cosco and held in temporary escrow by Prosafe SE.

Prosafe has implemented rules and procedures to ensure that directors and senior officers report to the Board if they themselves or their closely related parties have a significant interest, directly or indirectly, in any agreement concluded by the company. The Board must approve any agreement between the company and a member of the Board or the chief executive officer. The Board must also approve any agreement between the company and a third party in which a member of the Board or the chief executive officer may have a special interest. Each member of the Board shall also continually assess whether there are circumstances which could undermine the general confidence in a Board member's independence.

## 5. SHARES AND NEGOTIABILITY

Prosafe SE's shares are listed on the Oslo Stock Exchange. The company's Articles of Association place no limitations on voting or restrictions on any party's ability to own, trade or vote for shares in the company. The company has one class of shares and all shares carry equal rights. Each share is entitled to one vote at the general meeting.

## 6. GENERAL MEETINGS

The general meeting secures the participation of shareholders in the company's highest decision-making meeting. All shareholders are entitled to attend, speak and vote at general meetings. The company's Articles of Association are adopted by the general meeting. Shareholders holding at least 5 per cent of the issued and voting shares are entitled to submit matters for inclusion on the agenda of a general meeting.

The Annual General Meeting (AGM) must be held by 30 June every year. In 2022, it is scheduled to take place on 11 May. Written notice of an AGM and a meeting calling for adoption of a special resolution is sent out not later than twenty-one days before the scheduled meeting unless special notice is required by law. Written notice of a meeting other than an AGM or a meeting calling for adoption of a special resolution is sent out not later than fourteen clear days before the meeting. The resolutions and supporting information are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting. Both these and any recommendations of the Nomination Committee enabling shareholders to take an informed position on all matters to be discussed are made available within the relevant timeframe on the company's website.

Shareholders wishing to attend the general meeting must notify the company of this intention before the deadline stipulated in the notice. As the Board wishes to facilitate the attendance of as many shareholders as possible, it aims at setting the deadline for notification of attendance as close as possible to the meeting date.

Prosafe prepares proxy forms and conducts the voting arrangements at the meeting in a form and manner which allows shareholders to vote separately on each matter to be considered by the meeting and for each of the candidates nominated for election.

Traditionally, at least the Chairman (or in exceptional circumstances, another member of the Board), the auditor and the Chairman of the Nomination Committee attend the AGM. Prosafe wishes to facilitate a dialogue with shareholders at the general meeting, and therefore encourages all Board members to attend.

The AGM shall discuss and decide upon the following:

- (i) Approval of the annual accounts and annual report, including distribution of dividends.
- (ii) Any other matters that according to applicable laws or the Articles of Association are to be decided upon by the general meeting.

## 7. NOMINATION COMMITTEE

Pursuant to article 8 of its Articles of Association, Prosafe has a Nomination Committee comprising two to three members. The members are independent of the Board members and the company's management. The general meeting will elect the members of the Nomination Committee, including the chairperson, normally for a term of up to two years.

At the 2021 AGM, the members of the Nomination Committee were appointed for a period of one year. The instructions for the Nomination Committee were approved at the AGM that was held on 7 May 2020.

The Nomination Committee submits its recommendations for membership of the Nomination Committee and the Board to shareholders, together with the notice of the AGM and recommends the fees to be paid to directors and members of the Nomination Committee. The shareholders at the AGM also elect the Chairman of the Nomination Committee and approve the Committee's remuneration.

The company's general meeting has adopted instructions governing the duties of the Nomination Committee. According to these guidelines, the Nomination Committee may contact shareholders,



members of the Board, management and external advisers in its work. Shareholders shall be given the opportunity to propose Board member candidates to the Nomination Committee. The Nomination Committee shall give considerable weight to the wishes of the shareholders when making its recommendations and reflect the interests of shareholders in general. The Nomination Committee shall also give weight to the proposed candidates' experience, qualifications and their capacity to serve as officers of the company in a satisfactory manner. Emphasis must also be given to ensuring independence of the Board in relation to the company.

Relevant deadlines for submitting proposals for candidates to be appointed to the Board or the Nomination Committee are published on the company's website in due time before the AGM takes place.

The Nomination Committee held nine meetings in 2021. Average meeting attendance was 94.4 per cent.

<b>Name</b>	<b>Role</b>	<b>Date first appointed</b>	<b>Date due for re-election</b>	<b>Meeting attendance (%)</b>
Thomas Raaschou	Chair	May 2011	May 2022	100
Annette Malm Justad	Member	May 2016	May 2022	88.9

All members of the Committee are independent of the company's Board.

## **8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE**

The Board currently consists of four directors. The directors have been appointed to ensure that a broad base of appropriate skills, expertise and experience is reflected on the Board. Working constructively together with its Committees and the company's administration, the Board oversees the strategic direction, targets, reporting, management and control of the company.

Based on the proposal of the Nomination Committee, the General Meeting elects the Directors and the Chairman, and decides on their remuneration. Currently, the directors are appointed for one year and all directors are due for re-election in 2022.

The Board held 22 Board meetings in 2021. Average meeting attendance was 98.9 per cent.

<b>Name</b>	<b>Role</b>	<b>Date first appointed</b>	<b>Date due for re-election</b>	<b>Meeting attendance (%)</b>
Glen Ole Rødland	Chair	March 2016	May 2022	100
Birgit Aagaard-Svendsen	Director	March 2017	May 2022	95.5
Nina Udnes Tronstad	Director	May 2019	May 2022	100
Alf C. Thorkildsen	Director*	May 2020	May 2022	100

\*Alf C. Thorkildsen became Vice Chair in February 2022.

At each general meeting at which resignations and appointments occur, the Nomination Committee will provide its recommendations for Board composition to shareholders. All newly elected directors are provided with a thorough briefing on the company's history, business, status and challenges.

The Board members are independent of the company's executive personnel and material business contacts, and save for Alf C. Thorkildsen also independent of the company's main shareholders.

Directors are encouraged to own shares in the company. Details of share ownership can be found on each director's profile on the Prosafe website.

The Board has implemented various policies and procedures to avoid conflicts of interest between directors, executive management, their close associates and external third parties with whom the company collaborates.

The Board also seeks to ensure that directors possess broad based and in-depth expertise and skill-sets relevant to the company's business and the different market segments served internationally.

Information about each Board director is available on Prosafe's website, including whether they hold other directorships, their age, skills and experience, and when they are due for re-election.

The requirement to establish a corporate assembly does not apply to the company as it has less than 200 employees in Norway.

## 9. THE WORK OF THE BOARD

### THE DUTIES OF THE BOARD

The Board has ultimate responsibility for managing the company and monitoring day-to-day management and the company's business activities. This means that the Board is responsible for organisation, strategy, planning, reporting, and establishing of control systems. Further, the Board is responsible for ensuring that Prosafe operates in compliance with laws and regulations, with Prosafe's Code of Conduct, as well as in accordance with the shareholders' expectations of good corporate governance. The Board emphasises the safeguarding of the interests of all shareholders, but also the interests of Prosafe's other stakeholders.

The Board has adopted a generic annual plan for its work which is revised with regular intervals. Recurrent items on the Board's annual plan are health, safety and quality issues, the company's operations, ESG related risk and opportunities, strategy, business planning, forecasting and contingencies, approval of annual and quarterly results, monthly performance reports, annual reporting, executive management compensation, leadership assessment and succession planning, people and organisational strategy, special project reviews, risk evaluation, review of the company's governing documentation, annual Board evaluation and reviews relating to special topics. At the end of all Board meetings, the Board has a closed session with only Board members attending the discussions and evaluating the meeting.

The Board is responsible for making decisions related to inter alia company policies, strategy and objectives, overall budgets, Group and capital structure, financial reporting and internal controls, investments and material transactions.

The Board has drawn up separate instructions for management and a job description and annual targets for the chief executive officer (CEO) and deputy executive officer & chief financial officer (DCEO&CFO) specifying their respective duties, authority and responsibilities in relation to the business. The CEO has a particular responsibility for ensuring that the Board receives precise, relevant and timely information enabling it to discharge its duties.

### **INSTRUCTIONS FOR THE BOARD**

Prosafe has Instructions for the Board, which give an overview of function, duties and responsibility of the Board, including procedures for Board meetings. The Board shall determine the vision, values and long-term objectives of the company. The Board shall also contribute with external expertise and experience to the company's management.

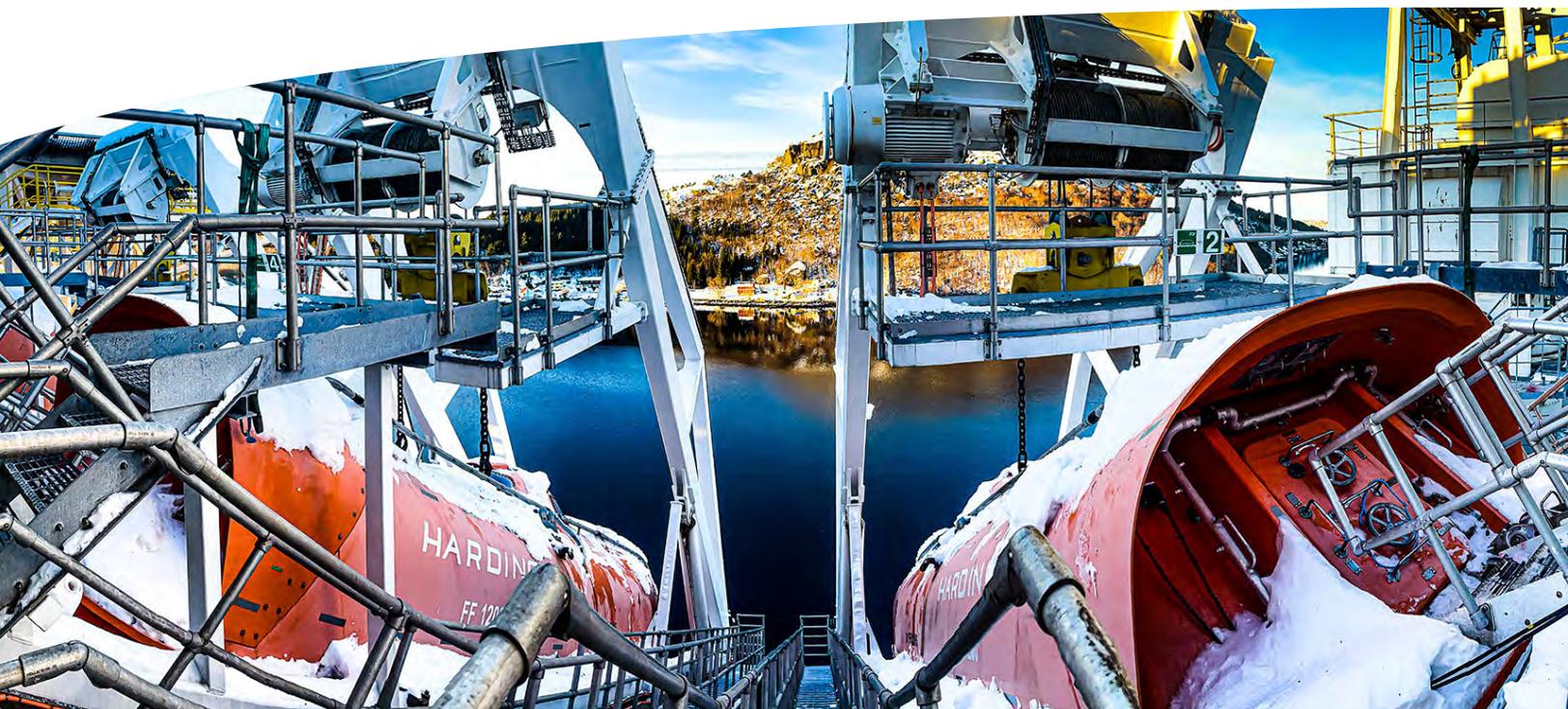
The Board shall define clear objectives, strategies and risk profiles for the company's business activities such that the company creates value for shareholders in a sustainable manner. When carrying out this work, the Board shall take into account financial, social and environmental considerations.

Scheduled Board meetings are normally held six to eight times a year, but the work schedule is flexible and otherwise adaptable so as to take into account relevant commercial, operational and strategic circumstances. Internal segregation of responsibilities and duties between the Board and management is established in a number of various corporate documents including corporate policies and procedures, approval matrices and delegated authorities, Board approvals for budgets and specific investments, and the grant of specific powers of attorney in respect of particular transactions.

The Chairman has a particular responsibility for ensuring that the Board's work is well organised and efficiently conducted. The Chairman of the Board encourages an open and constructive debate within the Board and with management.

### **THE BOARD'S EVALUATION OF ITS OWN WORK**

The Board undertakes an annual assessment of its own performance and expertise, working methods, composition and the manner in which the directors' function, both individually and collectively, in relation to the goals set for their work. In this context, the Board also assesses itself in relation to corporate governance. The assessment is made available to the Nomination Committee as a tool for continuous improvement.



## **AGREEMENTS WITH RELATED PARTIES**

Any transactions, agreements or arrangements between the company's shareholders, members of the Board, members of the executive management team or close associates of any such parties may only be entered into as part of the ordinary course of business and on arm's length market terms. All such transactions shall, where relevant, comply with the procedures set out in the Norwegian Public Limited Liability Companies Act and the Norwegian Code of Practice for Corporate Governance.

The Board shall arrange for a valuation to be obtained from an independent third party for transactions with related parties, including agreements that are considered immaterial. The Board's annual directors' report shall provide information about any transactions with related parties. The Board will when required or otherwise deemed appropriate arrange for a valuation to be obtained from an independent third party.

Board members shall immediately notify the Board and members of the executive management team shall immediately notify the CEO (who, where relevant, will notify the Board) if they have any material direct or indirect interest in any transaction entered into by the company.

Prosafe has entered into an engagement letter with OMP Management AS for the purpose of providing advice and support in regard to industry analysis and potential M&A transactions. OMP Management AS is a Norwegian company that is controlled by HitecVision VI Invest Sierra, a major shareholder in the company.

Prosafe has entered into a framework agreement with Global Maritime. Under the framework agreement, the company has ordered Global Maritime to undertake projects on emission reduction initiatives for two of the company's vessels. Global Maritime is majority-owned by HitecVision, which through one or more entities is a major shareholder of the company. For more information about these related parties transactions, refer to note 21 of the consolidated accounts.

## **CONFLICTS OF INTEREST AND DISQUALIFICATION**

Members of the Board and executive management cannot consider items in which they have a special and prominent interest, cf. the rules on disqualification in the Public Companies Act.

Directors and executive personnel must notify the Board if they have any material direct or indirect personal interest in any agreement concluded by the group. Neither the Board members nor the chief executive officer shall participate in the preparation, deliberation, or resolution by the Board of any matters that are of such special importance to themselves or any of their related parties that the person in question is deemed to have a prominent personal or financial interest in these matters. The relevant Board member or the chief executive officer shall raise the issue of his or her independence whenever there may be cause to question it, and is the primary responsible for adopting the correct decision as to whether he or she should step down from participating in the discussion of the matter at hand.

Potential conflicts of interest have been declared by Alf C. Thorkildsen (Deputy Chairman) through his indirect ownership in HitecVision VI Invest Sierra. In the event of any potential conflict of interest, appropriate action has been taken to protect against such potential conflicts which includes e.g. the individual not participating in the relevant part of the Board meeting and/or abstaining from voting on the relevant matter.

## AUDIT COMMITTEE

Prosafe has an Audit Committee comprising of two members of the Board of directors who are both independent of the company: Birgit Aagaard-Svendsen (chair) and Glen Ole Rødland.

At least one of the members shall have either formal qualifications within accounting or auditing, or relevant experience and skills within the same. Birgit Aagaard-Svendsen and Glen O. Rødland have such experience and expertise.

The Audit Committee operates on the basis of a generic annual plan and undertakes an examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal controls, monitors the financial reporting process and prepares the Board's follow up on such issues. The Audit Committee is tasked from time to time with the carrying out of special investigations designed to assess the overall risk management system within the Group.

The Audit Committee is a sub-committee of the Board of Directors, and its objective is to act as a preparatory body in connection with the Board's supervisory roles with respect to financial reporting and the effectiveness of the company's internal control system. It also attends to other tasks assigned to it in accordance with the instructions for the Audit Committee adopted by the Board of directors.

The Audit Committee meets six to eight times a year and holds closed sessions with the appointed auditor on at least an annual basis without the company's management being present. The appointed auditor participates at all Audit Committee meetings.

Internal controls related to the accounting process are mitigated by a combination of organisation and segregation of duties, procedures and authority matrix, reporting and analytical controls and continuous reporting and reviews with the Audit Committee. No individual may enter and approve payments or make commitments individually. Approval procedures are implemented in a seamless system as per Board approved authority matrix and payments are subject to two-point controls.

Financial risk is managed by the Group's finance function which during 2021 has provided regular financial and liquidity forecasts and updates to the Board as well as comprehensive forecasts at each Board meeting.

The Audit Committee held six meetings in 2021. Average meeting attendance was 100 per cent.

<b>Name</b>	<b>Role</b>	<b>Date first time appointed</b>	<b>Date due for re-election</b>	<b>Meeting attendance (%)</b>
Birgit Aagaard-Svendsen	Chair	May 2017	May 2022	100
Glen O. Rødland	Member	May 2020	May 2022	100

## COMPENSATION COMMITTEE

Prosafe has a Compensation Committee comprising of two members of the Board who are both independent of the company's executive management: Nina Udnes Tronstad (chair) and Alf C. Thorkildsen. The Committee is a sub-committee of the board and its objective is to act as a preparatory body for the Board's work relating to employment terms and performance review for the chief executive officer as well as strategy and principles for remuneration of executive management. The Compensation Committee operates on the basis of a generic annual plan.

The Compensation Committee held four meetings in 2021. Average meeting attendance was 100 per cent.

<b>Name</b>	<b>Role</b>	<b>Date first time appointed</b>	<b>Date due for re-election</b>	<b>Meeting attendance (%)</b>
Nina Udnes Tronstad	Chair	May 2019	May 2022	100
Alf C. Thorkildsen	Member	May 2020	May 2022	100

### **SAFETY, SUSTAINABILITY AND ETHICS COMMITTEE**

Prosafe has established a Safety, Sustainability and Ethics Committee which consists of the CEO, DCEO&CFO and Senior Manager Exec. Support & Communication. The Committee maintains and further develops Prosafe’s Code of Conduct and policies, which include guidance on illegal and unethical issues. Concerns about possible breaches of the Code or any policy can be reported to the Committee on the whistleblowing channel IntegrityLog – <https://prosafe.integrity.complylog.com> by ordinary mail or by e-mail (conduct@prosafe.com) on a confidential basis. The Committee ensures that alleged breaches are investigated thoroughly and fairly and reported as appropriate to the Board.

## **10. RISK MANAGEMENT AND INTERNAL CONTROL**

Prosafe categorises its primary risks under the following headings: strategic, commercial, operational, compliance and legal, financial and IT / Cyber-security related. The Group’s Board and senior officers manage these risk factors through continuous risk assessments, reporting and periodic reviews in management and Board meetings, and as part of the rolling strategy and planning processes. These risks and associated sensitivities as well as internal control measures are described in more detail at <https://www.prosafe.com/investor-information/corporate-governance/risk-management/> and in a separate Risk Management Policy.

The risk management methodology applied by management and the Board is in accordance with industry and market practices generally and as implemented in Prosafe over several years.

The Board is responsible for ensuring that sound internal control and risk management systems that are appropriate for the extent and nature of the company’s activities are in place.

The Audit Committee assesses the integrity of Prosafe’s accounts and follows up on behalf of the Board on issues related to financial review and external audit of Prosafe’s accounts. Furthermore, the Board and the Audit Committee supervise and verify that effective internal control systems are in place, including systems for risk management and financial reporting, and satisfactory routines for following up adherence to the company’s ethical guidelines.

Prosafe focuses strongly on regular and relevant management reporting of operational and financial matters, both in order to ensure adequate information for decision making and to quickly respond to changing conditions. Evaluation and approval procedures for major capital expenditure and significant treasury transactions are established.

Management maintains a risk and opportunity register that includes all risks of material significance for the company. This register is reviewed regularly in Board meetings and is followed up by management and the Board in the form of strategies and mitigating actions. The Board conducts also an annual review of all risk areas and the internal control system.

All significant tenders and projects are reviewed by the company's Bid Committee. The scope of the reviews includes all aspects which may impact the financial results and good reputation of Prosafe. The Bid Committee acts to safeguard and support tender processes to ensure client tenders have an acceptable balance between risk and reward, and that awarded projects are driving risk mitigating measures in order to meet quality, delivery and financial targets. The committee has an advisory role towards the tender and subsequent project teams within authorities provided by the Board.

Prosafe's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) and management conducts day-to-day follow-up of financial management and reporting. Management has established a structured approach to ensure that the system/procedure for Internal Control over Financial Reporting ("ICFR") is effective and provides reasonable assurance that the company's financial statements are prepared in accordance with IFRS. ICFR includes identification and assessment of all material financial reporting risks, identifying and documenting relevant controls to address these risks, and monitoring that controls are implemented and performed. For controls that are identified not operationally effective for each reporting period, their potential financial exposure and impact on the consolidated financial statements are evaluated. Control procedures over these areas are also reviewed and remedied.

## 11. REMUNERATION OF THE BOARD

The AGM resolves directors' fees based on the recommendation from the Nomination Committee. The remuneration of the Board reflects its responsibilities, expertise, time commitment and the complexity of the business.

The remuneration of the Board is not linked to the company's performance and none of the current Board directors have a pension scheme or agreement concerning pay after termination of their office nor have they received any share options.

	<b>Chair</b>	<b>Deputy Chair</b>	<b>Directors</b>
Board	USD 110,000	USD 84,000	USD 68,000

In addition, a fee of USD 1,500 is payable for directors, Board Committee members and Board representatives to the Nomination Committee attending Board or Committee meetings held away from their home country.

Information relating to the total remuneration for the Board for 2021 is set out in note 6 to the consolidated accounts.

The fees payable to the members of the Board Committees are as follows:

<b>Committee</b>	<b>Chair</b>	<b>Members and Board representatives</b>	<b>Other</b>
Nomination Committee	USD 7,500	USD 5,000	Additional USD 850 per meeting
Compensation Committee	USD 15,000	USD 10,000	N/A
Audit Committee	USD 20,000	USD 10,000	N/A

Based on the need for directors to be independent of the company's executive personnel, none of the directors has any specific assignments for Prosafe beyond their role as director.

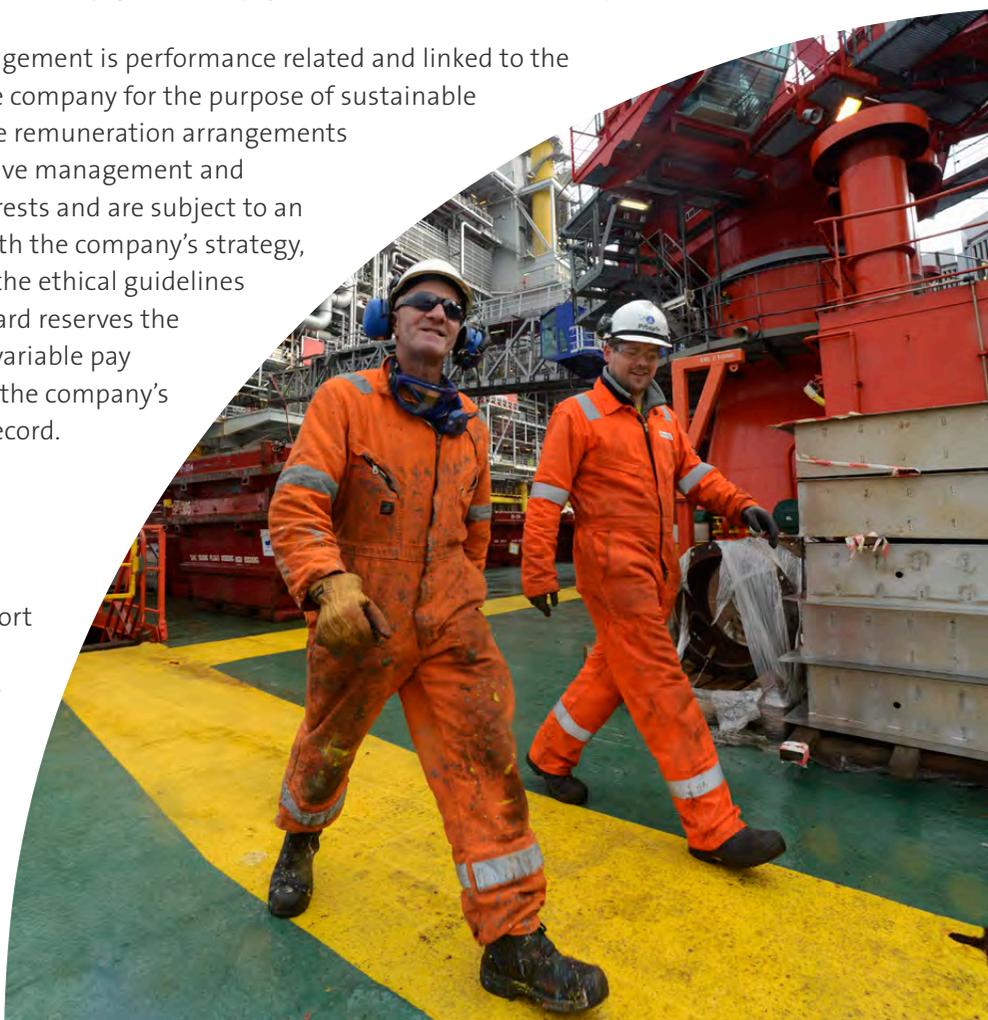
## 12. REMUNERATION OF EXECUTIVE PERSONNEL

The terms of employment of the CEO and executive management are determined by the Board, based on a detailed annual assessment of their salary and other remuneration. The guidelines on the salary and other remuneration for executive management are clear and easily understandable, and contribute to the company's commercial strategy, long-term interest and financial viability.

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 executive management comprises three principal elements – base pay, variable pay and other benefits such as pension.

The variable pay of executive management is performance related and linked to the operations and development of the company for the purpose of sustainable value creation for shareholders. The remuneration arrangements contribute to ensuring that executive management and shareholders have convergent interests and are subject to an absolute limit. They are aligned with the company's strategy, as set by the Board and subject to the ethical guidelines 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.

For further details relating to remuneration paid to executive management, see note 6 to the consolidated accounts and the Report on Executive Remuneration as presented by the Board that will be attached to the Notice of the AGM in May 2022 and made available on the company's website.



## 13. INFORMATION AND COMMUNICATION

Prosafe has adopted an investor relations policy which covers guidelines for the company's contact with shareholders and the financial community. In order to ensure equal treatment of shareholders for the purpose of creating a good basis for a fair and correct pricing of the company's financial instruments, Prosafe aims to provide clear, up-to-date and timely financial and other information about the company's operations to the financial market. This shall take place through the timely distribution of price-sensitive information to the market, at all times handled in compliance with applicable market rules and practices.

Prosafe's calendar for interim financial reporting and the general meeting for shareholders can be found on Prosafe's website at <https://www.prosafe.com/investor-information/financial-calendar/>

Prosafe presents its unaudited Q4 and full year result in early February every year. Complete annual accounts, the directors' report and annual report are provided to shareholders and other stakeholders. In addition, interim accounts are provided on a quarterly basis. Investor presentations in the form of audiocast or webcast are held in connection with the reporting of annual and interim results. The chief executive officer and/or the DCEO&CFO use these occasions to review the results and comment on operations, markets, prospects and outlook. The presentation material is available on Prosafe's website. An ongoing dialogue is otherwise maintained with analysts and investors.

All information distributed to the company's shareholders is published on Prosafe's website at the same time as it is made available to the shareholders.

Information available to shareholders is only available in English. As an international company with a broad shareholder base, English is regarded as the most applicable common language.

## 14. TAKE-OVERS

Prosafe's Articles of Association do not contain any defence mechanisms against take-over bids, nor has the company implemented other measures limiting the opportunity to acquire shares in the company. The Board will ensure that all shareholders are treated equally and seek to prevent disruptions to, or interference with, company operations to the extent possible. In the event of a takeover bid, the Board will, in accordance with its overall responsibilities and good corporate governance, act in the best interest of shareholders and ensure that they are given sufficient information in the matter.

If an offer is made for the company's shares, the Board will, prior to the expiry of the offer period, issue a statement evaluating the offer and make a recommendation as to whether shareholders should or should not accept the offer. In such a situation, Prosafe will act professionally and in accordance with the applicable principles for good corporate governance.

## 15. AUDITOR

The company's appointed registered public accounting firm is independent in relation to Prosafe and is elected by the general meeting of shareholders.

The Audit Committee shall support the Board in the administration and exercise of its responsibility for supervision of the work of the independent auditor, who shall keep the Board informed of all aspects of its work for Prosafe. This duty includes submission of an annual plan for the audit of Prosafe.

The auditor attends all Audit Committee meetings and at least once a year meets with the Audit Committee without the presence of management. Company policies govern the use of the auditor's services. Use of the auditor for services other than the audit of Prosafe requires pre-approval by the Audit Committee.

The independent auditor meets with the full Board at least once a year in connection with the preparation of the annual financial statements and, at least once a year, presents a review of Prosafe's financial reporting and internal control procedures for financial reporting. At least once a year, the independent auditor meets with the Board without the presence of any member of executive management.

Fees payable to the auditor split on auditing and other services are specified in the Auditor Fees note to the consolidated financial statements of the company. Remuneration paid to the auditor for mandatory and other audit services will be reported to the AGM for approval.

30 March 2022

### **The Board of Directors of Prosafe SE**

(original signed)

**Glen Ole Rødland**  
Non-executive Chairman

**Alf C. Thorkildsen**  
Non-executive Deputy Chairman

**Birgit Aagaard-Svendsen**  
Non-executive Director

**Nina Udnes Tronstad**  
Non-executive Director

**Jesper K. Andresen**  
Chief Executive Officer



**Prosafe**

Accommodating  
the Offshore  
Industry

[www.prosafe.com](http://www.prosafe.com)

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