

APPENDIX 5 - EXECUTIVE REMUNERATION POLICY

This Policy regarding remuneration to the executive management have been prepared by the Board of Directors in Prosafe SE ("**Prosafe**") in accordance with section 6-16 a of the Norwegian Public Limited Liability Companies Act and related regulations. The policy has been prepared for approval at the company's ordinary general meeting in 2022 and shall apply until the company's general meeting in 2026, unless amended or replaced earlier.

The policy applies to the leading personnel of Prosafe, i.e. the CEO and other members of the executive management team.

Main purpose and principles for the policy

The main purpose of the company's remuneration of the executive management is to attract and retain executives, to align interests between executives and the company's shareholders and to encourage a strong and sustainable performance-based culture which supports the company's overall strategic ambitions and goals over time.

This policy is aligned with the general remuneration practices of Prosafe to ensure that remuneration is:

- Competitive
- Simple and transparent
- Effective and serving the purpose

Remuneration shall reflect the content and complexity of the executives' position as well as the performance of the individual.

Relation to the Company's business strategy, long-term interests and sustainability

To successfully implement the company's business strategy and safeguard its long-term interests, the company needs to be able to recruit, develop and retain executives with relevant experience, expertise and advanced leadership skills. It is therefore important that the company can offer its executives a competitive and well-balanced remuneration package.

The policy aims to provide a clear framework for remuneration of executives so that terms can be formulated that benefit the company's business strategy and long-term interests – including its lasting growth, sustainability and profitability – that contribute to long-term growth in shareholder value.

Process for development of the policy, the compensation committee and conflict of interests

Prosafe's Board of Directors has established a Compensation Committee ("**Committee**"). With support of the Committee as a basis, the Board of Directors shall prepare a proposal for policy that shall be submitted to the annual general meeting for approval at least every four years and upon every significant revision.

The Board of Directors shall further monitor, evaluate and approve the application of the policy and all remuneration elements provided to executive management in the company. The Board of Directors approves the company's objectives and targets in the variable pay schemes as well as the performance assessment and the calculated earnings from the variable pay schemes. The assessment shall be based on a separate independent report produced for the Committee by the Director of Finance and Accounting.

In order to reduce the risks of conflict of interests, no management executive shall participate in the resolution regarding remuneration-related matters in which they are directly affected by.

Components of the remuneration package

Prosafe aims at providing a competitive total package for executive management. Stock listed companies in the oil and gas services sector in the geographic areas where Prosafe pursues its operations are the basis for comparison. The total remuneration package for the executive management may consist of the following components:

1. Gross annual salary
2. Variable pay
 - a) Short-term Incentive Program ('STIP')
 - b) Long-term Incentive Program ('LTIP')
3. Pension and insurance
4. Other benefits

1. Fixed cash remuneration

The fixed cash remuneration for executive management shall be in line with the market level for corresponding jobs in the industry and be based on responsibilities, expertise and performance. The level of fixed cash remuneration shall be reviewed regularly, usually annually.

2. Variable pay – STIP & LTIP

The variable pay of the executive management is performance related and linked to the operations and development of the company for the purpose of sustainable 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 company has an annual short-term incentive programme (STIP) and a long-term incentive programme (LTIP). The purpose of the STIP is to motivate for near term performance above expectations on relevant aspects of the company's business operations and development. The purpose of the LTIP is to ensure continuous focus on consistent value creation to align with shareholder interests.

The variable pay schemes shall be subject to reclaim provisions to enable the company to claim back variable pay amounts paid to an executive if it is identified that the performance assessment or the calculation of variable pay was based on incorrect information provided by the individual or if the executive has engaged in gross misconduct or exercised materially imprudent judgement that has caused, or could have caused, harm to the Company. The Board may also reduce or eliminate short-term incentives (STIP) at their discretion.

a) Long-term Incentive Program – LTIP

The LTIP is used to ensure long-term focus, consistent shareholder value creation and retention of executives.

Prosafe currently has a share option programme. To reduce the risk of an unrepresentative financial result, the dates of vesting, issue and exercise of the options are spaced out over time.

The exercise of options in any given year is limited to such number as will represent a profit for the executive (market price less the subscription price at the date of exercise times the number of options exercised) of five times his/her fixed cash remuneration in such year.

b) Short-term Incentive Program – STIP

The STIP is an annual scheme which mainly follows the calendar year and encourages overall above expectation results, increased shareholder value and strong execution of leadership, based on sustainable business operations in accordance with the company's values and ethical standards.

The STIP shall give executive management the possibility to earn variable pay upon meeting the targets set as part of the annual performance management process. The targets normally comprise financial, operational, commercial, and strategic elements which are key to driving the value of the company and shall be defined and used for the calculation of variable pay.

Approximately 70% of the total STIP is based on the achievement of targets and 30% is discretionary allocation by the Board.

Payment under STIP exceeding a certain amount after tax may be deferred at the Board's discretion. The Board may reduce or eliminate short-term incentives at their discretion.

Payment under the STIP shall normally be conditional upon the executive's continuous employment for the full term of the year. Executives who retire or leave the company through a joint agreement, may be paid a pro-rated STIP amount.

The amount paid to an executive under the STIP for a calendar year cannot exceed the executive's gross annual salary for the same calendar year. The amount paid to an executive under the STIP and LTIP combined shall not exceed 5 times his/her annual fixed cash remuneration in the relevant year.

3. Pension and insurance

Executive management are included in the company's standard pension and insurance schemes on the same terms and conditions as ordinary employees. This is based on the following coverage: 7% of salary between 1 and 12 G¹ (TBD) plus an additional 3% of salary between 7,1 and 12 G. Executive management's gross salary includes, in addition, a 9% uplift which is intended to compensate for additional pension compensation although it is executive management who decide how these 9% are used at their discretion.

4. Other benefits

Executive management may be given other customary benefits to ensure market competitiveness or to compensate an individual for a particular cost or situation. Benefits may include, but are not limited to, areas such as accommodation, transport, education/training, travel cost, insurance, immigration and tax advisory services, etc.

Employment agreements

For the CEO and the CFO, the Company guarantees a remuneration corresponding to the gross annual salary received at the time of termination for a period of 5 months beyond a 4-month notice period and with a set off for the 5 months against any other income received. For the COO, the Company guarantees a remuneration corresponding to the gross annual salary received at the time of termination for a period of 12 months beyond a 6-month notice period.

¹ At the time of writing (10 March 2022), 1G is NOK 106,399.

Consideration of salary and terms of employment for other employees

The remuneration and employment conditions for other employees of the company are evaluated on a holistic basis by reference to available information about terms and conditions in the competitive landscape where the Company operates. Prosafe shall offer competitive terms and conditions. The overall payroll conditions are recommended by the Compensation Committee for approval by the Board, although the CEO together with the Executive Committee are empowered within the authority granted by the Board of Directors to decide how any increases and improvements are distributed in the wider organisation.

Deviations from the policy

Any deviation from this policy shall be reported in the remuneration report for the relevant year pursuant to the Norwegian Public Limited Liability Companies Act section 6-16 b and related regulations.

Stavanger, 30 March 2022

The Board of Directors of Prosafe SE