



# Remuneration Report 2023

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**Prosafe**

## Introduction

The remuneration report is prepared according to the requirements in section 6-16a and 6-16b of the Norwegian Public Limited Liability Companies Act and the European Commission Guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828.

The purpose the remuneration report is to provide an open and comprehensive overview of remuneration to members of the Board and the senior executive management in Prosafe. Furthermore, the report explains how remuneration earned and paid in 2023 complies with Prosafe SE's policy for remuneration of senior executive management (approved by the Annual General Meeting in 2022).

The report covers Prosafe's senior executive management team, which in addition to the CEO, consists of two people in 2023. An overview of board fees is also provided.

All amounts in the remuneration report are stated in USD thousand unless otherwise specified.

## The Company's financial results

During 2023, the Company experienced high activity related to preparation of vessels for commencement of new contracts. The Company participated in several tenders in 2023. Due to slower than expected market and continued strong competition, no new backlog was secured in 2023. The Company is optimistic that new contracts can be secured with start in 2025 and onwards at increasing day rates.

The Board's assessment is that the senior executive management have managed the Company well through a year of high operational activity and a challenging financial position.



## Changes in the Board and Senior executive management during 2023

- In April 2023, the CEO, Jesper Kragh Andresen resigned and was in November replaced by Terje Askvig as the CEO of Prosafe
- In June 2023, Simen Flaaten joined the Board of Directors, at the time Halvard Idland stepped down as Director and assumed the role of Deputy Director
- In July 2023, Ryan Stewart was appointed as CCO
- In October 2023, Alf C. Thorkildsen resigned from his role as member of the Board of Directors and Deputy Chair
- In November 2023, Halvard Idland was appointed as a member of the Board of Directors.

As of year-end 2023, the senior executive management team comprised of Terje Askvig (CEO), Reese McNeel (CFO) and Ryan Stewart (CCO).

## Application of the remuneration policy in 2023

In 2023, the remuneration was consistent with the principles applied from previous years. From 2022, the long-term incentive program (LTIP) was included in the senior executive management's remuneration.

## Remuneration of the Board of Directors

The members of the Board of Directors are remunerated for their role and contribution in the Board. The fees are reviewed each year and approved by the Annual General Meeting (AGM). Each member of the Board receives a fixed annual base fee, while the Chair's and Deputy Chair's fee is higher than the other board members, reflecting the difference in role and responsibilities. Board members are not entitled to performance-related compensation. The Board has been granted options to acquire shares in the Company approved by the Extraordinary General Meeting (EGM) on 22 February 2024. No share options were granted in 2023.

Board members serving on Board committees receive an additional annual compensation based on their participation in the respective committees. Each committee's Chair receives a higher annual fixed compensation than the other committee members.

### Current members

Name and position	Year	Board Fees	Audit Committee Fees	Compensation Committee Fees	Other Fees	Total Remuneration	No. of shares owned
Glen Ole Rødland <sup>1</sup>	2023	110	0	0	2	112	228,667
Non-Executive Chair	2022	110	4	0	1	115	100,000
Birgit Aagaard-Svendsen	2023	68	20	0	12	100	3
Non-Executive Director	2022	68	20	0	7	95	3
Nina Udnes Tronstad	2023	68	0	15	2	84	7,667
Non-Executive Director	2022	68	0	15	2	85	6,000
Halvard Idland <sup>2</sup>	2023	68	6	0	3	77	0
Non-Executive Director (from May 2022)	2022	44	6	0	2	52	0
Simen Flaaten <sup>3</sup>							
Non-Executive Director (from June 2023)	2023	34	4	1	1	41	549,655

<sup>1</sup> Shares owned through Gross Management AS

<sup>2</sup> Director from May 2022, Deputy Director from June 2023–November 2023 and Director from November 2023

<sup>3</sup> Shares owned through Vicama Capital AS

### Former members

Name and position	Year	Board Fees	Audit Committee Fees	Compensation Committee Fees	Other Fees	Total Remuneration	No. of shares owned
Alf. C. Thorkildsen <sup>1</sup>	2023	67	0	6	1	75	0
Non-Executive Deputy Chair (to October 2023)	2022	82	0	10	2	94	0

<sup>1</sup> Mr Thorkildsen has an indirect ownership interest in Prosafe due to his ownership interest in North Sea Strategic Investments and HitecVision VI Invest Sierra

## Remuneration of the senior executive management

The purpose of the Company's remuneration policy for the senior executive management is to contribute to the Company's business strategy, long-term interests and sustainability of the Company. The total remuneration package for the senior executive management may consist of the following components:

### 1. Fixed base salary

The fixed base salary for senior executive management shall be in line with the market level for corresponding positions in the industry and reflect the responsibilities, expertise and performance. The level of fixed base salary shall be reviewed regularly, usually annually.

### 2. Variable pay – STIP & LTIP

The variable pay of the senior executive management is performance based 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 judgment 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. On similar grounds, vested long-term incentive awards may be cancelled and unvested withdrawn.

### 3. Pension and insurance

Senior executive management are included in the Company's standard pension and insurance schemes on the same terms and conditions as ordinary employees in their respective home countries. Members of the senior executive management may receive an additional pension compensation that is used at their discretion.

### 4. Other benefits

Senior 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.

### Current Senior executives

Name and position	Year	Fixed remuneration		Variable remuneration		Extra-ordinary items	Pension expense	Total remuneration	Portion of fixed remuneration	Portion of variable remuneration
		Base salary	Fringe benefits	One-year variable	Multi-year variable					
Terje Askvig, CEO <sup>1</sup> (from november 2023)	2023	86	5	50	0	0	5	146	66%	34%
Reese McNeel, CFO <sup>1</sup> (Interim CEO/CFO from May 2023–October 2023)	2023	347	4	90	0	0	30	471	81%	19%
	2022	131	0	60	0	0	17	208	71%	29%
Ryan Stewart, CCO <sup>2</sup> (COO to July 2023 and CCO from July 2023)	2023	360	3	55			36	454	88%	12%
	2022	342	2	95	0	0	34	473	80%	20%

<sup>1</sup> Remuneration to CEO and CFO is denominated in NOK, an exchange rate of 0.0945 is used to convert to USD

<sup>2</sup> Remuneration to CCO is denominated in GBP, an exchange rate of 1.2465 is used to convert to USD

### Former Senior executives

Name and position	Year	Fixed remuneration		Variable remuneration		Extra-ordinary items	Pension expense	Total remuneration	Portion of fixed remuneration	Portion of variable remuneration
		Base salary	Fringe benefits	One-year variable	Multi-year variable					
Jesper Kragh Andresen, CEO <sup>1</sup> (to April 2023)	2023	446	12	0	0	0	10	468	100%	0%
	2022	357	19	95	0	0	43	514	82%	18%
Stig H. Christiansen, CFO (to May 2022)	2023	0	0	0	0	0	0	0	0%	0%
	2022	141	8	0	0	0	17	166	100%	0%

<sup>1</sup> Base salary includes compensation paid in relation to non-compete provisions

## Short-term Incentive Program (STIP)

The STIP is an annual scheme which generally follows the calendar year and encourages 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 senior 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. The variable pay shall be based on clear, pre-defined and measurable criteria.

Approximately 70 to 80 per cent of the total STIP is based on the achievement of targets and 20 to 30 per cent is by 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 senior 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 under the STIP for a calendar year cannot exceed the gross annual salary for the same calendar year.

With respect to the application of the performance criteria, information on performance measures and outcomes of the STIP during the financial year, please refer to the table alongside.

### Remuneration Bonus and KPI

Information on how the remuneration complies with the remuneration policy.

Name and position	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	Measured performance of max remuneration	Actual award/ remuneration outcome (USD)
Terje Askvig, CEO	Individual performance	100%	N/A <sup>1</sup>	50
Reese McNeel, CFO	Financial and operational KPIs	77%	17%	40
	Individual performance	23%	93%	50
Ryan Stewart, CCO	Financial and operation KPIs	77%	2%	5
	Individual performance	23%	98%	50

<sup>1</sup> The CEO commenced his tenure in November 2023, due to limited timeframe within fiscal year the bonus could not be quantified in accordance with the established KPIs

## Long-term Incentive Program (LTIP)

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

Prosafe currently has a share option programme for the senior executive management and selected employees. 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 senior executive (market price less the subscription price at the date of exercise times the number of options exercised) of five times his/her fixed base salary in such 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.

There is no lock up period on the shares once the options are exercised.



## Share options

Name and position	The main conditions of share option plans						Information regarding the reported financial year				
	Specification of plan	Award date	Vesting Date	Exercise period	Strike price (NOK)	Opening balance	During the year			Closing balance	
						Share options held at the beginning of the year	Share options awarded	Share options vested	Share options cancelled	Share options awarded and unvested	
Terje Askvig, CEO	2023	Option to purchase 220,000 shares	26 Jul 2023	01 Nov 2024	01 nov 2024–31 Oct 2027	109.13					73,333
				31 Oct 2025	31 Oct 2025–31 Oct 2027	109.13					73,333
				31 Oct 2026	31 Oct 2026–31 Oct 2027	109.13					73,334
Reese McNeel, CFO <sup>1</sup>	2022	Option to purchase 100,000 shares	19 Aug 2022	18 Aug 2024	18 Aug 2024–18 Aug 2027	146.50	33,333				33,333
				18 Aug 2025	18 Aug 2025–18 Aug 2027	146.50		33,333			33,333
				18 Aug 2026	18 Aug 2026–18 Aug 2027	146.50		33,334			33,334
	2023	Option to purchase 20,000 shares	6 Oct 2023	31 Oct 2024	31 Oct 2024–31 Oct 2027	109.13		6,667			6,667
				31 Oct 2025	31 Oct 2024–31 Oct 2027	109.13		6,667			6,667
				31 Oct 2026	31 Oct 2024–31 Oct 2027	109.13		6,666			6,667
Ryan Stewart, COO	2022	Option to purchase 100,000 shares	11 May 2022	09 Feb 2024	09 Feb 2024–09 Feb 2027	83.00	33,333				33,333
				09 Feb 2025	09 Feb 2025–09 Feb 2027	83.00		33,333			33,333
				09 Feb 2026	09 Feb 2026–09 Feb 2027	83.00		33,334			33,334
Jesper Kragh Andresen, former CEO <sup>2</sup>	2022	Option to purchase 150,000 shares	11 May 2022	09 Feb 2024	09 Feb 2024–09 Feb 2027	83.00	50,000			50,000	0
				09 Feb 2025	09 Feb 2025–09 Feb 2027	83.00		50,000			50,000
				09 Feb 2026	09 Feb 2026–09 Feb 2027	83.00		50,000			50,000

<sup>1</sup> On 28 March 2023, the Board decided to amend the strike price of the 100,000 options for Reese McNeel awarded 19 August 2022 to NOK 146.50

<sup>2</sup> The options earlier granted to the previous CEO, Jesper K. Andresen, were cancelled in connection with his resignation



## Comparative information on the change of remuneration and Company performance

The tables present the link between the annual change of remuneration of each individual director and executive and the Company's performance. This is done by presenting the relative development in total remuneration of the CEO and the executives over the past five years. For the CEO and other executives who joined the senior executive management team in 2023, the comparison is not considered meaningful.

### Annual remuneration change for current senior executives

Name and position		2019	2020	2021	2022	2023
Terje Askvig, CEO	Remuneration	0	0	0	0	146
	Change in USD	0	0	0	0	146
	Change in %	0%	0%	0%	0%	N/A <sup>1</sup>
Reese McNeel, CFO	Remuneration	0	0	0	208	471
	Change in USD	0	0	0	208	263
	Change in %	0%	0%	0%	N/A <sup>1</sup>	126% <sup>2</sup>
Ryan Stewart, CCO <sup>3</sup>	Remuneration	551	466	597	473	454
	Change in USD	(11)	(85)	131	(124)	(19)
	Change in %	(2%)	(15%)	28%	(21%)	(4%)

<sup>1</sup> The % change is not meaningful as the individual executive was not in service throughout the period resulting in incomparable data with the prior period

<sup>2</sup> The % change is not meaningful as the CFO was not in service throughout the prior period resulting in incomparable data with the current period

<sup>3</sup> Mr. Stewart held previously the position as COO until July 2023 when he was appointed as CCO

### Annual remuneration change for former senior executives

Name and position		2019	2020	2021	2022	2023
Jesper Kragh Andresen, CEO <sup>1</sup> (to April 2023)	Remuneration	487	485	740	514	468
	Change in USD	(418)	(2)	255	(226)	(46)
	Change in %	(46%)	0%	53%	(31%)	(9%)
Stig H. Christiansen, CFO (to May 2022)	Remuneration	495	466	712	166	0
	Change in USD	(280)	(29)	246	(546)	(166)
	Change in %	(36%)	(6%)	53%	(77%)	(100%)
Jens O. Berge, COO	Remuneration	155	0	0	0	0
	Change in USD	(703)	(155)	0	0	0
	Change in %	(82%)	(100%)	0%	0%	0%

<sup>1</sup> Salary in last year of employment is based on employment period in the year plus severance pay or other compensation if agreed

### Annual remuneration change for Board of Directors

Name and position		2019	2020	2021	2022	2023
Glen Ole Rødland, Non-Executive Chair	Remuneration	128	120	122	115	112
	Change in USD	(16)	(8)	2	(7)	(4)
	Change in %	(11%)	(6%)	2%	(6%)	(3%)
Birgit Aagaard-Svendsen, Non-Executive Director	Remuneration	101	93	91	95	100
	Change in USD	(6)	(8)	(2)	4	5
	Change in %	(6%)	(8%)	(2%)	4%	5%
Nina Udnes Tronstad, Non-Executive Director	Remuneration	57	83	84	85	84
	Change in USD	57	26	1	1	(1)
	Change in %	(6%)	(8%)	(2%)	4%	5%
Halvard Idland, Non-Executive Director	Remuneration	0	0	0	52	77
	Change in USD	0	0	0	52	25
	Change in %	0%	0%	0%	N/A	48%
Simen Flaaten, Non-Executive Director	Remuneration	0	0	0	0	41
	Change in USD	0	0	0	0	41
	Change in %	0%	0%	0%	0%	N/A <sup>1</sup>

<sup>1</sup> the % change is not meaningful as the individual executive was not in service throughout the period resulting in incomparable data with the prior period

### Company's performance

USD mill	2019	2020	2021	2022	2023
EBITDA	97	(10)	25	61	(11)
Annual change EBITDA	(70)	(107)	34	37	(72)
Annual change EBITDA %	(42%)	(110%)	362%	147%	(117%)
Profit/ (loss)	(400)	(950)	928	2	(68)
Annual change Profit/ (loss)	(285)	(550)	1878	(926)	(69)
Annual change Profit/ (loss) %	249%	(138%)	198%	(100%)	(4,620%)
Backlog	154	162	152	357	283
Annual change backlog	(133)	8	(10)	205	(74)
Annual change backlog %	(46%)	5%	(6%)	134%	(21%)

### Average Remuneration on a full-time equivalent basis of onshore employees

Focus on onshore employees, as offshore employees may be engaged short-term depending on the nature of their employment.

#### Average remuneration on a full-time equivalent basis of onshore employees

Onshore full-time employees of the Company	2018	2019	2020	2021	2022 <sup>1</sup>	2023
Employees of the Group	\$95,193	\$95,193	\$90,551	\$91,030	\$89,929	\$94,249

<sup>2</sup> Average salary for 2022 is corrected due to inconsistency in the calculation when comparing to previous years

### Events after reporting period

On 8 January 2024 Simen Flaaten resigned as Director of the Board of Directors.

On 22 February 2024, Gunnar Eliassen was appointed as Director and Deputy Chair. At the same time, a proposed change in board remuneration was approved, involving a reduction in fixed compensation in exchange for the granting of share options to board members. Ryan Schedler was appointed a member of the Nomination Committee.

# Statement by the Board of Directors

The remuneration report is prepared in accordance with section 6-16b of Norwegian Public Limited Liability Companies Act. The Board has considered and adopted the remuneration report of Prosafe SE for the financial year 2023. The remuneration report will be presented for an advisory vote at the Annual General Meeting on 7 May 2024.

Oslo, 19 March 2024

Glen Ole Rødland  
Chair

Birgit Aagaard-Svendsen  
Non-executive Director

Nina Udnes Tronstad  
Non-executive Director

Halvard Idland  
Non-executive Director

Gunnar Eliassen  
Deputy Chair



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