



**Prosafe**

## **PROSAFE SE**

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### **EXECUTIVE REMUNERATION POLICY**

as approved by the Board of Directors of Prosafe SE on 19 March 2024

This Policy regarding remuneration to the CEO and the senior executive management has been prepared by the Board of Directors (the “**Board**”) 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 2024 and shall apply until the Company's general meeting in 2028, unless amended or replaced earlier.

This remuneration policy shall apply to the CEO and the senior executive management. The senior executive management refers to the CEO and those reporting directly to the CEO unless otherwise stated.

### **Main purpose and principles for the policy**

The main purpose of the Company's remuneration policy is to:

- attract, retain, and engage highly motivated, competent, and performance-oriented senior executives
- encourage a strong and sustainable performance-based culture which supports growth in shareholder value over time.
- reward members of the senior executive management in line with corporate and individual performance.

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

- Market competitive
- Simple and transparent
- Effective and serving the main purpose
- Shareholder and strategy aligned
- Non-discriminatory

Remuneration shall reflect the content and complexity of the senior 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 senior executives with relevant experience, expertise and advanced leadership skills. It is therefore important that the Company can offer a competitive and well-balanced remuneration package.

The policy aims to provide a clear framework for remuneration so that terms can be formulated that benefit the Company's business strategy, growth, sustainability, and profitability which shall contribute to long-term growth in shareholder value.

### **Process for development of the policy, the Compensation Committee and conflicts of interest**

Prosafe's Board has established a Compensation Committee (“**Committee**”). The members of the Committee shall be free of any relationship to members of the senior executive management that would interfere with his or her independence. The Board shall also appoint a Chair of the Compensation Committee. With support of the Committee, the Board shall prepare a proposal for the remuneration policy that shall be submitted to the annual general meeting for approval at least every four years or upon significant revision.

The Committee is responsible for submitting a proposal to the Board on the remuneration principles for members of the senior executive management. The Committee shall propose, and the Board shall approve the annual salary adjustment, variable pay level and targets as well as variable pay achievement for the CEO. The annual salary adjustment, variable pay level and targets as well as variable pay achievement for the senior executive management shall be determined by the Committee following a proposal from the CEO.

The Board shall further monitor, evaluate and approve the application of the policy and all remuneration elements provided to senior executive management in the Company. The Board 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.

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

### **Components of the remuneration package**

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

1. Fixed base 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 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 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. On similar grounds, vested long-term incentive awards may be cancelled and unvested withdrawn.

a) 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% of the total STIP is based on the achievement of targets and 20 to 30% 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.

b) 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. 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.

### **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.

### **Work environment**

Remuneration is just one factor to attract, retain, and engage highly motivated, competent, and performance-oriented executives. Prosafe shall work continuously with the many non-financial elements to be an attractive place to work including succession planning, whilst facilitating a healthy and non-discriminating work environment.

### **Employment contracts**

Employment contracts aligned within applicable local law shall apply to all employees in Prosafe and shall regulate amongst other the terms and conditions concerning salary, holidays, confidentiality, intellectual property rights, data privacy, conflict of interest, notice period, non-compete and non-solicitation obligations amongst others. Members of the senior executive management may be guaranteed a remuneration corresponding to the gross annual fixed base salary at the time of termination for a period up to 12 months beyond a notice period of up to 6 months. Such guaranteed compensation may be reduced by other income earned post termination and be the basis for compensating any applicable non-compete period.

Senior executive management should not receive any fee or other compensation for any director appointment on the board of subsidiaries within the group, only reimbursement of travel and other out-of-pocket expenses. Senior executive management shall not be entitled to termination benefits other than ordinary pay during the agreed notice period.

### **Consideration of salary and terms of employment for other employees**

For all levels below senior executive management, employees shall be entitled to fixed base salary and benefits, and may also receive variable pay, participate in any long-term incentive scheme, pension and other allowances which may vary according to local collective agreements, employment law and market practice. Prosafe shall be a workplace with equal opportunities and prevent gender discrimination regarding salary, promotion and recruiting.

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. The CEO together with the senior executive management are empowered within the authority granted by the Board to decide how any increases and improvements are distributed in the wider organisation.

### **Deviations to the policy**

If the principles in this policy conflict with local legislation, local legislation shall prevail.

The Board may make minor amendments to the remuneration policy set out above for regulatory, foreign exchange control, tax or administrative purposes or to take account of a change in legislation without obtaining approval from the general meeting of such amendment.

The Board may in exceptional circumstances, and within the statutory limits, decide to temporarily deviate from the remuneration policy until a new remuneration policy is approved by the general meeting. Exceptional circumstances shall cover only situations in which the deviation from the remuneration policy is deemed critical to serve the interests and sustainability of Prosafe as a whole or to assure its visibility. In the event of a deviation, the Board will present the deviation and propose a new policy to the general meeting as soon as reasonably possible where it will be subject to a binding approval vote. In situations where a deviation took place in accordance with the guidelines provided in this remuneration policy, the remuneration offered will be disclosed to the shareholders no later than at the next annual general meeting.

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.

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Oslo, 19 March 2024

The Board of Directors of Prosafe SE