

Remuneration report 2021

GC Rieber Shipping ASA



SHORTCUTS

1. [Key developments in 2021](#)

2. [Summary of Remuneration Policy](#)

3. [Remuneration of the Executive Management](#)

4. [Remuneration of the Board of Directors](#)

5. [Statement of the Board of Directors](#)

6. [Independent Auditor's Report on Remuneration Report](#)

1. Key developments in 2021

Company results 2021

In 2021, GC Rieber Shipping continued the strategic journey set out in 2020 to become a pure ship-owner with focus on developing profitable and sustainable maritime projects. In March 2021 the company sold the IMR vessel Polar Queen, and in December 2021 the company entered into an agreement to sell the last vessel in the Subsea & Renewables segment, the SURF/Construction vessel Polar Onyx. The delivery of Polar Onyx in February 2022 not only marked the sale of GC Rieber Shipping's final wholly owned vessel, but also the repayment of the Group's debt in full. After several challenging years following the oil crisis in 2014, GC Rieber Shipping has emerged debt free with significant investment capacity, ready to invest in new vessel solutions contributing to the energy shift.

Company performance key figures (NOK million)

	2021 ^{*)}	2020	2019	2018	2017
Operating income	2.5	233.7	257.3	231.9	264.1
EBITDA	129.7	100.9	86.9	254.9	21.0
EBIT	128.0	-463.0	67.0	200.7	-90.0
Net income of the year	177.9	-495.3	14.4	148.1	-130.1
Earnings per share	2.1	-5.8	0.2	2.7	-3.0
Equity %	70.8%	60.3%	60.1%	57.5%	46.6%
Dividend payments (NOK per share)	1.23	0	0	0	0
Average base salary per FTE excl. Executive Management	1.06	0.80	0.77	0.73	0.71
Development (%) base salary per FTE	32%**)	4%	5%	3%	

*) Due to the sale of assets in 2021/2022 the annual figures for 2021 is presented for the continuing operations in GC Rieber Shipping.

***) In October 2020, all of GC Rieber Shipping's technical, crewing and support functions in Bergen were transferred to OSM.

SHORTCUTS

1. [Key developments in 2021](#)

2. [Summary of Remuneration Policy](#)

3. [Remuneration of the Executive Management](#)

4. [Remuneration of the Board of Directors](#)

5. [Statement of the Board of Directors](#)

6. [Independent Auditor's Report on Remuneration Report](#)

2. Summary of Remuneration Policy

Purpose of remuneration

GC Rieber Shipping's remuneration policy are designed to promote added value in the Company, and value for its shareholders in a sustainable matter. The purpose of this statement is to provide guidelines for the Company's adoption of salary and other remunerations to leading personnel, cf. the Public Limited Company Act §6-16 a.

The various components of the remuneration are set to balance sustainable management of GC Rieber Shipping strategy and long-term ambitions with achievement in short-term results.

The remuneration structure for the Company ensures continuity in management and the possibility to recruit qualified personnel to leading positions which is in the long-term interest of the Company. By competitive conditions are meant conditions on the same level as offered by comparable companies.

SHORTCUTS

1. [Key developments in 2021](#)

2. [Summary of Remuneration Policy](#)

3. [Remuneration of the Executive Management](#)

4. [Remuneration of the Board of Directors](#)

5. [Statement of the Board of Directors](#)

6. [Independent Auditor's Report on Remuneration Report](#)

Remuneration for executive management

As per 2021 the Company's leading personnel are the Company's Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Commercial Officer (CCO).

The policy, including the purpose and key aspects of the remuneration elements are summarized in below table. The full version of the Policy is published on the Company's website.

PAY ELEMENT	PURPOSE	AWARD LEVEL	PERFORMANCE CRITERIA	PERFORMANCE PERIOD
FIXED ANNUAL BASE SALARY	Ensure the ability to attract, motivate and retain high-performing executives.	Leading personnel shall be offered competitive conditions at the same level as offered by competitive companies, this to ensure continuity in management and the possibility to recruit qualified personnel to leading positions which is in the long-term interest of the Company.	No performance criteria are defined; however, the annual review and potential adjustment of the executives' base salaries take the individual's performance and market practice into consideration.	Reviewed once a year
DISCRETIONARY BONUS	Drive and reward strategic objectives that relates to operational performance, transactions, new projects, or other matters in the interest of the Company.	Annual bonus payments cannot exceed the equivalent of six-monthly salary payments. A stay-on requirement of eight months may apply for 50% of any bonus payment.	Operational performance, transactions, new projects, and individual business objectives.	The Company's financial year
PENSION	Ensure the ability to attract, motivate and retain high-performing executives.	Leading personnel are included in the defined contribution pension plan for all the Company's employees, which currently is 7% of fixed salary (excluding bonus) up to 7G (the Norwegian National Insurance scheme basic amount), 20% between 7 and 12 G and 15% between 12 and 24G.	N/A	N/A
OTHER BENEFITS	Support the attraction, motivation, and retention of executives, through offering of benefits that are aligned with market practice.	Benefits are offered according to market practice including health and life insurance. There are no specific limits for the different categories of remunerations or the total level of remuneration to leading personnel, however, the remuneration shall not be of such character or size that it can damage the Company's reputation.	N/A	N/A

The Board of Directors may deviate from any of the provisions in these guidelines if this is required by significant corporate events, such as changes in the Company's management group, group structure, organization, ownership or business activities that require extraordinary effort from leading personnel.

SHORTCUTS

1. [Key developments in 2021](#)
2. [Summary of Remuneration Policy](#)
3. [Remuneration of the Executive Management](#)
4. [Remuneration of the Board of Directors](#)
5. [Statement of the Board of Directors](#)
6. [Independent Auditor's Report on Remuneration Report](#)

3. Remuneration of the Executive Management

Development in remuneration in 2021 (NOK million)

GC Rieber Shipping has been through a strategic transformation reshaping the Company's strategy, organisation, business activities and Executive Management. To best represent the Executive Management throughout this period of change, the development in remuneration of the current Executive Management, is disclosed in this report. Detailed information is available in the annual reports for previous years.

The increase in base salary from 2020 to 2021 for Executive management is to ensure the Company offer competitive conditions at the same level as offered by competitive companies and to ensure continuity in management. Increase in base salary for Executive Management from 2020 to 2021 is 6.56% (from NOK 5.54 million in 2020 to NOK 5.90 million in 2021).

Certain important achievements, namely vessel and share sales, have been met in 2021 in order for GC Rieber Shipping being able to execute on its strategy of becoming a pure ship-owner with focus on developing profitable and sustainable maritime projects. The bonus payments for 2021 are linked to these successful sales transactions. Remuneration of executive management in 2021 is in accordance with the GC Rieber Shipping's guidelines on remuneration of leading personnel.

	FIXED	VARIABLE			TOTAL
	SALARY	BONUS	PENSION PREMIUM	OTHER BENEFITS	IN TOTAL
Einar Ytredal, CEO	2.52	1.24	0.38	0.02	4.16
Øystein Kvåle, CFO	1.63	0.00	0.17	0.01	1.81
Christoffer Knudsen, CCO	1.75	0.25	0.18	0.02	2.20
Total Remuneration 2021 - Executive Management team	5.90	1.49	0.73	0.05	8.17



SHORTCUTS

1. [Key developments in 2021](#)

2. [Summary of Remuneration Policy](#)

3. [Remuneration of the Executive Management](#)

4. [Remuneration of the Board of Directors](#)

5. [Statement of the Board of Directors](#)

6. [Independent Auditor's Report on Remuneration Report](#)

Development in executive total remuneration 2017 - 2021 (NOK million)¹⁾

CHIEF EXECUTIVE OFFICER (CEO) ²⁾	2021	2020	2019	2018	2017
Salary	2.52	2.48	2.39	3.06	2.27
Bonus	1.24	0.00	0.00	0.00	0.00
Pension premium	0.38	0.32	0.33	0.34	0.20
Other benefits	0.02	0.02	0.02	0.37	0.15
Total remuneration	4.16	2.82	2.74	3.77	2.62
CHIEF FINANCIAL OFFICER (CFO) ³⁾	2021	2020	2019	2018	2017
Salary	1.63	1.53	1.38	1.41	1.80
Bonus	0.00	0.00	0.00	0.10	0.00
Pension premium	0.17	0.11	0.13	0.17	0.07
Other benefits	0.01	0.02	0.01	0.01	0.01
Total remuneration	1.81	1.65	1.53	1.70	1.88
CHIEF COMMERCIAL OFFICER (CCO) ⁴⁾	2021	2020	2019	2018	2017
Salary	1.75	1.53	1.41	0.19	N/A
Bonus	0.25	0.25	0.10	0.00	N/A
Pension premium	0.18	0.11	0.12	0.01	N/A
Other benefits	0.02	0.02	0.04	0.00	N/A
Total remuneration	2.20	1.91	1.66	0.20	0.00

1) As a result of GC Rieber Shipping's strategic transformation over the recent years, where the Company have been significantly reshaped and the defined Executive Management in particular. Table above gives an overview over CEO together with top Executive Management of Departments in the Company that directly reports to CEO.

2) Einar Ytredal was the acting CEO from November 2016 to August 2017. From August 2017 he went back to his position as CFO. Christian W. Berg was CEO from August 2017 until September 2018. Einar Ytredal was appointed as CEO in September 2018.

3) Øystein Kvåle was hired in as acting CFO from November 2016 to August 2017. For the period August 2017 until September 2018 Einar Ytredal was the CFO of the Company. Øystein Kvåle was appointed as CFO in November 2018.

4) The position as CCO was established in mid-November 2018 when Christoffer Knudsen was appointed to the position.

SHORTCUTS

1. [Key developments in 2021](#)

2. [Summary of Remuneration Policy](#)

3. [Remuneration of the Executive Management](#)

4. [Remuneration of the Board of Directors](#)

5. [Statement of the Board of Directors](#)

6. [Independent Auditor's Report on Remuneration Report](#)

4. Remuneration of the Board of Directors

Members of the Board of Directors receive a fixed remuneration as approved by the shareholders at the Annual General Meeting. The annual fee for Board members shall be at the level of remuneration paid in other comparable companies.

Fixed fee structure 2021 – Board of Directors and Committees (NOK million)

	CHAIRMAN	VICE CHAIRMAN	MEMBER
Board	0.30	0.23	0.18
Audit committee	0.08	N/A	0.05

Members of the Board receive an annual fixed fee. The Chairman's and Vice Chairman's fees deviates from the other members fees, reflecting their roles and responsibilities in the Board and Committee.

The annual fees for the Board and Committee have increased from 2020 to 2021. For the Board of Directors, the changes (increase in remuneration) are as follows: Chairman 20%, Vice Chairman 13% and members of the Board 17%. The increase in fee for the Chairman of the Audit committee is 50% and is due to the extended responsibility for the Audit Committee following the changes to the Norwegian Auditors Act with effect from 2021.

SHORTCUTS

1. [Key developments in 2021](#)

2. [Summary of Remuneration Policy](#)

3. [Remuneration of the Executive Management](#)

4. [Remuneration of the Board of Directors](#)

5. [Statement of the Board of Directors](#)

6. [Independent Auditor's Report on Remuneration Report](#)

Board remuneration 2017 – 2021 (NOK million)

BOARD REMUNERATION	FROM	TO	2021	2020	2019	2018	2017
Paul-Chr. Rieber, chairman			0.30	0.25	0.25	0.18	0.18
Morten Foros Krohnstad, vice-chairman	Apr.18		0.23	0.20	0.20	0.15	-
Birthe Lepsøe	Apr.21		0.12	0	0	0	0
Pål Selvik	Apr.21		0.12	0	0	0	0
Ingrid von Streng Velken	Apr.21		0.12	0	0	0	0
Trygve Bruland		Apr.21	0.06	0.15	0.15	0.15	0.15
Bodil Valland Steinhaug	Apr.17	Apr.21	0.06	0.15	0.15	0.15	0.11
Tove Lunde		Oct.20	0	0.11	0.15	0.15	0.15
Hans Olav Lindal, vice-chairman		Apr.18	0	0	0	0.07	0.20
Kristin Færøvik		Apr.17	0	0	0	0	0.05
Total Board remuneration			0.99	0.86	0.90	0.84	0.84
AUDIT COMMITTEE	FROM	TO	2021	2020	2019	2018	2017
Paul-Chr. Rieber, Chairman		Apr.21	0.03	0.05	0.05	0.05	0.05
Birthe Lepsøe, Chairman	Apr.21		0.05	0	0	0	0
Pål Selvik	Apr.21		0.03	0	0	0	0
Trygve Bruland		Apr.21	0.02	0.05	0.05	0.05	0.05
Total audit committee remuneration			0.13	0.10	0.10	0.10	0.10

The figures represent expensed remuneration rather than what is paid out in the period. In addition to the above-mentioned fees GC Rieber Shipping pays statutory contributions to social security and similar taxes and charges that is applicable in accordance with the Norwegian Law.

SHORTCUTS

1. [Key developments in 2021](#)

2. [Summary of Remuneration Policy](#)

3. [Remuneration of the Executive Management](#)

4. [Remuneration of the Board of Directors](#)

5. [Statement of the Board of Directors](#)

6. [Independent Auditor's Report on Remuneration Report](#)

5. Statement by the Board of Directors

The Board of Directors has today considered and adopted the Remuneration Report of GC Rieber Shipping ASA for financial year 2021.

The Remuneration Report is prepared in accordance with the Norwegian Public Limited Company Act §6-16 a.

The Remuneration Report will be presented to the Annual General Meeting for an advisory vote.

Bergen 18 March 2022
The Board of Directors of GC Rieber Shipping ASA

Paul-Chr. Rieber
Chairman

Morten Foros Krohnstad
Vice Chairman

Birthe Cecilie Lepsøe
Board Member

Pål Selvik
Board Member

Ingrid von Streng Velken
Board Member

SHORTCUTS

1. [Key developments in 2021](#)
2. [Summary of Remuneration Policy](#)
3. [Remuneration of the Executive Management](#)
4. [Remuneration of the Board of Directors](#)
5. [Statement of the Board of Directors](#)
6. [Independent Auditor's Report on Remuneration Report](#)



To the General Meeting of GC Rieber Shipping ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that GC Rieber Shipping ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2021 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but

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not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 30 March 2022
PricewaterhouseCoopers AS

Sturle Døsen
State Authorised Public Accountant

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