



**BlueNord**  
Annual Report and Accounts 2022

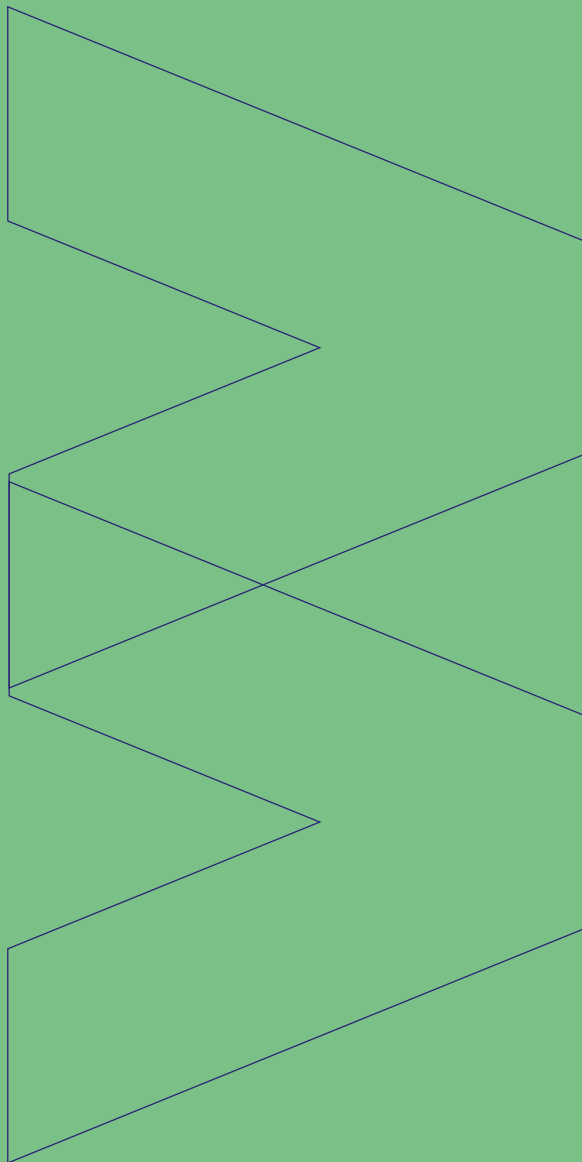
# Executive Remuneration Report 2022

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**The Executive Remuneration Report outlines the principles governing the compensation of members of the Board of Directors and Executive Management Team of BlueNord ASA, as well as their actual remuneration in 2022.**



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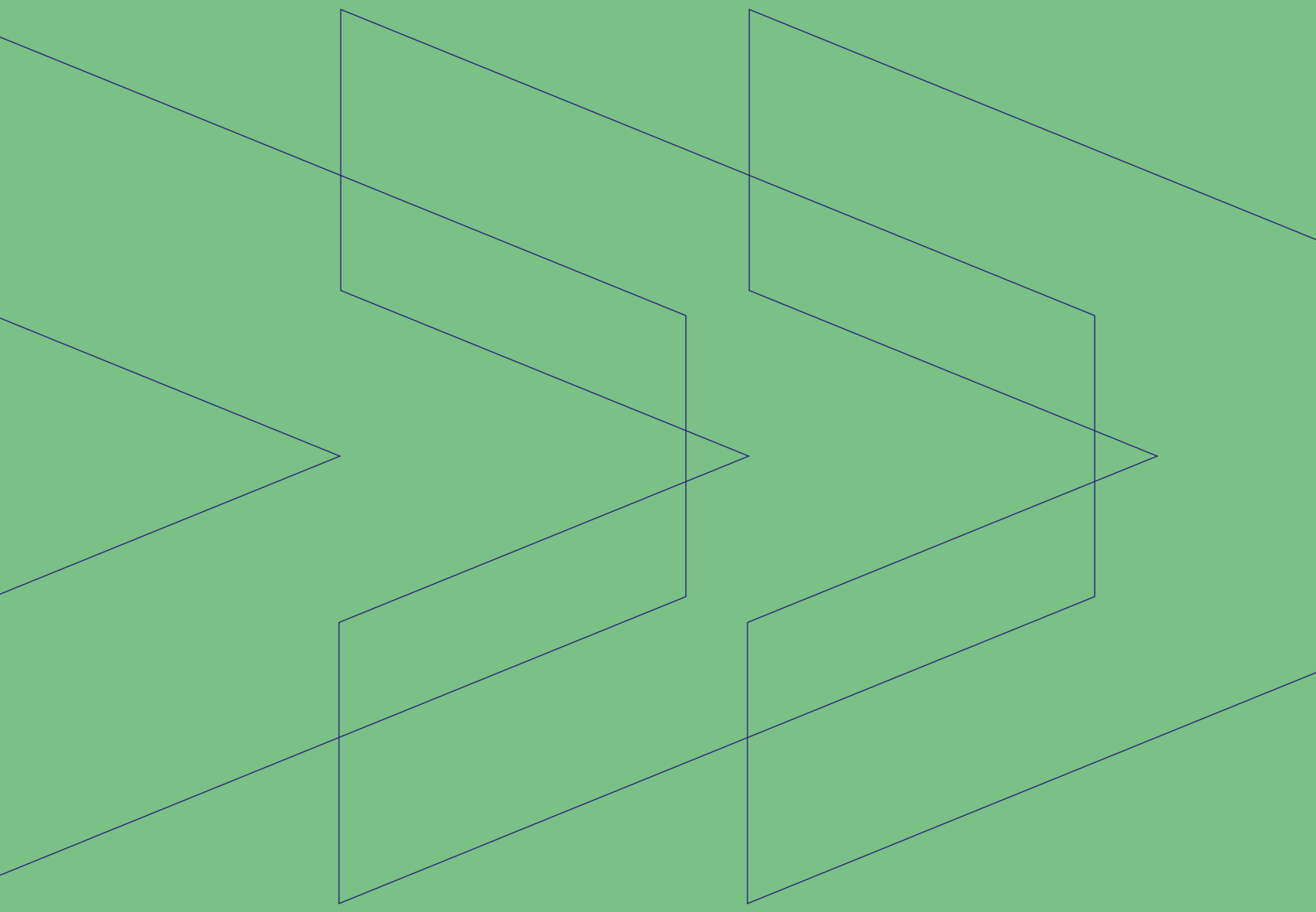
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# 01

# Introduction



# Introduction

The Executive Remuneration Report outlines the principles governing the compensation of members of the Board of Directors and Executive Management Team of BlueNord ASA (BlueNord), as well as their actual remuneration in 2022.

Throughout the year, the Executive Remuneration Policy approved by the Annual General Meeting (AGM) was applied. The Policy is designed to align with the company's overall business objectives, long-term interests, and financial sustainability. To attract, motivate, and retain qualified and high-performing executives in a global industry, total remuneration for BlueNord executives must be competitive. The compensation offered should reflect the required accountabilities, reward success, and be aligned with shareholder interests and BlueNord's strategy.

The Executive Remuneration Report adheres to the requirements laid out in the Norwegian Public Limited Companies Act §§ 6-16a and 6-16b.

## Disclosures

- No deviations from the Executive Remuneration Policy have been made by the Board of Directors in 2022 except that to comply with Danish employment legislation, executives formally employed with a Danish affiliate under the Danish Salaried Employees Act, but holding a global executive role with the Company, the statutory notice period is mutually prolonged by two months. This means that the EVP Finance has a notice period of three months if resigning. If the Company terminates the employment, the employer's notice period is currently seven months.
- BlueNord has not during 2022 reclaimed any remuneration paid to executives.
- No executive in the BlueNord Group has received remuneration from any entity other than the one that is their formal employer.



## 2022 Highlights



### Strong operational performance

Average production of c. 26.7mboe/d for the year exceeded the guidance provided of 23.5-25.5mboe/d at the start of 2022.



### Tyra Redevelopment Project

The Tyra offshore installation campaign has been successfully concluded, with TEG sail away occurring in September 2022. Once Tyra is on stream, operating expenditure will decrease significantly and emissions intensity will be reduced by 30 percent, while producing enough gas to power the equivalent of 1.5 million homes in Denmark.



### Secured further long-term contribution from the DUC

The completion of the Tyra project will provide a strong foundation for future reserves growth, unlocking gross reserves in excess of 200 mboe. The first infill project on Halfdan has been sanctioned, with three more to come in the next 24 months. Optimisation activities have been successfully completed.



### Demonstrated environmental commitment

BlueNord is actively contributing to the Energy Transition by pursuing emissions reduction opportunities. This includes ending routine flaring in the DUC, investing in projects and studies for Carbon Capture Storage (CCS) within and outside the DUC partnership, and investing in CarbonCuts, an early-stage onshore CCS project in Denmark. BlueNord's commitment to reducing emissions is further demonstrated by the link between performance and the margin payable under the Company's USD 1.1 billion reserve-based lending (RBL) facility.



### Strong and robust financial position

BlueNord's balance sheet remained strong in 2022 and the Company demonstrated strong cashflow generation. The NOR13 instrument was successfully refinanced, and attractive hedging levels have been achieved, while interest-rate swap realised will significantly reduce borrowing cost to 2024.

#### Legal disclaimer:

The Company's formal, legal name is "Norwegian Energy Company ASA" – often referred to as "NORECO" or "Noreco". The board of directors has proposed that the name is changed to "BlueNord ASA". The change of name will become effective following, and subject to, approval by the Annual General Meeting in the Company, expected to be held on or about 25 April 2023. In anticipation of the aforementioned approval, the Company has used "BlueNord" for the purposes of this document.

# Introduction continued

## Remuneration Committee – meetings and focus 2022

The Remuneration Committee serves as a preparatory and advisory committee for the Board on matters related to Executive Management's compensation. It is established and composed solely of Board members.

Committee member	Meetings attended
<b>Marianne Lie</b> (Chair of Committee)	◆◆◆◆◆
<b>Jan Lernout</b> (member)	◆◆◆◆◆

## The Board's Remuneration Committee's main activities 2022

### Previous performance period

- Reviewing the 2021 results and recommending the achievement of the Annual Performance Bonus Programme and its metrics.

### Current performance period

- Reviewing and recommending the proposed annual salary increase.
- Reviewing and recommending BlueNord's holistic compensation policy.
  - Endorsing the amended Annual Performance Bonus Programme and its 2021 Key Performance Indicators (KPIs), based on reviews, benchmarks, and discussion in 2021.
  - Discussing and endorsing the 2022 KPIs for the Annual Performance Bonus Programme.
  - Reviewing and endorsing the Long-Term Incentive (LTI) Performance Share Programme, its KPIs, plan document and implementation plan.
- Reviewing, discussing and endorsing the conversion of Executive Management's share options into retention shares with a three-year vesting period.
- Endorsing the employment terms for the appointment of a new Chief Executive Officer (CEO).
- Endorsing and recommending final terms for Board approval the final terms for executives who have resigned.

### Governance activities

- Reviewing and endorsing the 2021 Executive Remuneration Report, prior to approval by the Board and the advisory approval by the AGM in May 2022.
- Adjusting and endorsing the Executive Remuneration Policy based on the revised compensation policy that was subsequently approved by the AGM in May.
- Preparing the Executive Remuneration Report for 2022.
- Approving Minutes of Meetings and following up on actions set from the Remuneration Committee's meetings.
- Discussing tax principles related to positions under the global mobility regime.

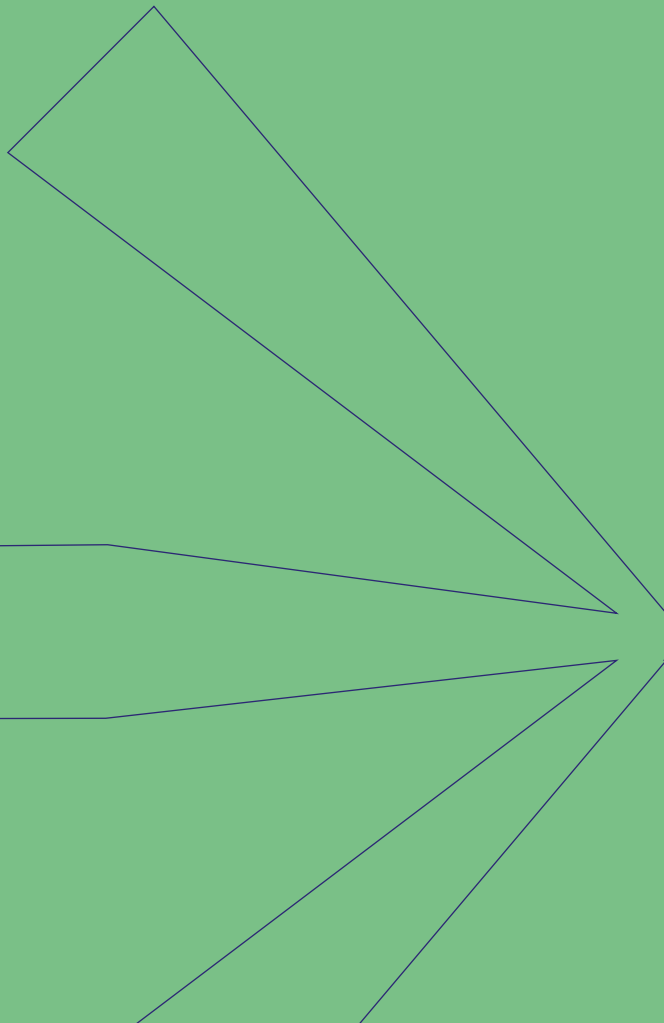
### Future performance periods

- Reviewing KPIs for the Annual Performance Bonus Programme 2023 (STI) and achievement of those set for 2022.
- Reviewing performance achievement of LTI KPIs at end of first vesting period.
- Reviewing the LTI programme principles and relevant KPIs prior to 2023 grant.
- Annual review of executive salaries.



# 02

# Board of Directors' Remuneration



# Board of Directors' 2022 Remuneration

The General Meeting determines the remuneration of the Board and its sub-committees. The Nomination Committee proposes the remuneration of the Board to the General Meeting. The Board must approve of any Board member's consultancy work for the Company if relevant and any remuneration for such work.

The Board members do not have pension schemes or termination payment agreements with BlueNord. There are no employee elected Board members.

All BlueNord Board meetings in 2022 were conducted by video conference.

## Fee structure

2022 fee structure in USD	Board of Directors	Audit Committee	Remuneration Committee	ESG* Committee	Nomination Committee
Chair	500,000	10,000	5,000	5,000	1,500/meeting
Member	60,000	5,000	5,000	5,000	1,500/meeting

\* Environmental, Social and Governance.

Committee fees approved in AGM May 2022 and apply until AGM 2023. Paid on a quarterly basis.

## Board of Directors' 2022 remuneration In thousands USD

Board member	Position	Period served on the Board		Audit Committee	Remuneration Committee	ESG Committee	Nomination Committee	Base fee <sup>(2)</sup>	Bonus	LTI	Total Fee
		From	To								
Riulf Rustad	Executive Chair	27.03.2015	–	–	–	–	–	500	–	–	500
Marianne Lie	Board member	26.05.2016	–	Chair	Chair	–	–	71	–	–	71
Tone Kristin Omsted	Board member	26.05.2016	–	Member	–	–	–	64	–	–	64
Colette Cohen	Board member	15.09.2019	–	–	–	Chair	–	64	–	–	64
Robert J. McGuire	Board member	02.03.2020	–	–	–	Member	–	64	–	–	64
Jan Lernout	Board member	19.05.2021	–	–	Member	–	–	64	–	–	64
Peter Coleman <sup>(1)</sup>	Board member	19.05.2021	–	Member	–	–	–	–	–	–	–
<b>Total Board remuneration 2022</b>								<b>826</b>	<b>–</b>	<b>–</b>	<b>826</b>

## Nomination Committee remuneration

Board member	Position	Period served on the Board		Audit Committee	Remuneration Committee	ESG Committee	Nomination Committee	Base Fee	Bonus	LTI	Total Fee
		From	To								
Richard Sjøquist	Executive Chair	27.03.2015	–	–	–	–	Chair	8	–	–	8
Anette Malm Justad	Board member	28.06.2018	–	–	–	–	Member	8	–	–	8
Kristian Utkilen	Board member	20.05.2015	–	–	–	–	Member	8	–	–	8
<b>Total Board remuneration 2022</b>								<b>23</b>	<b>–</b>	<b>–</b>	<b>23</b>

- Peter Coleman has voluntarily waived his right to compensation for his Board engagement.
- Board remuneration includes committee fees for three quarters of 2022.

The overview includes remuneration earned in 2022 by the Board members in their capacity as such on the Board of Directors of BlueNord ASA.

The historical remuneration to the Board of Directors for 2018 – 2022 is available on page 7.

The overview of the Board of Director's holdings of shares and share options is presented in the section 4 "Equity-based payment and shareholdings", pages 15-18.

# Board of Directors' 2022 Remuneration continued

## Board of Directors' 2022 Remuneration Summary 2018-2022 In thousands USD

Board member		2022			2021			2020			2019			2018	
		Total Fee	Variable portion %	Change %	Total Fee	Variable portion %	Change %	Total Fee	Variable portion %	Change %	Total Fee	Variable portion %	Change %	Total Fee	Variable portion %
Riulf Rustad <sup>(1)</sup>	Executive Chair	500	0%	-29%	700	29%	0%	700	29%	-89%	6,422	92%	817%	700	29%
Marianne Lie <sup>(2)</sup>	Board member	71	0%	19%	60	0%	0%	60	0%	-36%	94	52%	156%	37	0%
Tone Kristin Omsted <sup>(2)</sup>	Board member	64	0%	6%	60	0%	0%	60	0%	-25%	80	44%	118%	37	0%
Colette Cohen <sup>(3)</sup>	Board member	64	0%	6%	60	0%	0%	60	0%	100%	18	n/a	n/a	n/a	n/a
Robert J. McGuire <sup>(4)</sup>	Board member	64	0%	6%	60	0%	20%	50	0%	100%	n/a	n/a	n/a	n/a	n/a
Jan Lernout <sup>(5)</sup>	Board member	64	0%	72%	37	0%	100%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Peter Coleman	Board member	-	0%	0%	-	0%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Yves-Louis Darricarrère <sup>(6)</sup>	Former Board member	n/a	n/a	100%	23	0%	-62%	60	0%	100%	18	n/a	n/a	n/a	n/a
Chris Bruijnzeels <sup>(7)</sup>	Former Board member	n/a	n/a	100%	23	0%	-62%	60	0%	100%	18	n/a	n/a	n/a	n/a
Lars Purlund <sup>(2,8)</sup>	Former Board member	n/a	n/a	100%	17	0%	-71%	60	0%	-98%	3,219	99%	8627%	37	0%
<b>Total</b>		<b>826</b>	<b>0%</b>	<b>-21%</b>	<b>1,041</b>	<b>19%</b>	<b>-6%</b>	<b>1,110</b>	<b>18%</b>	<b>-89%</b>	<b>9,870</b>	<b>93%</b>	<b>1,117%</b>	<b>811</b>	<b>25%</b>

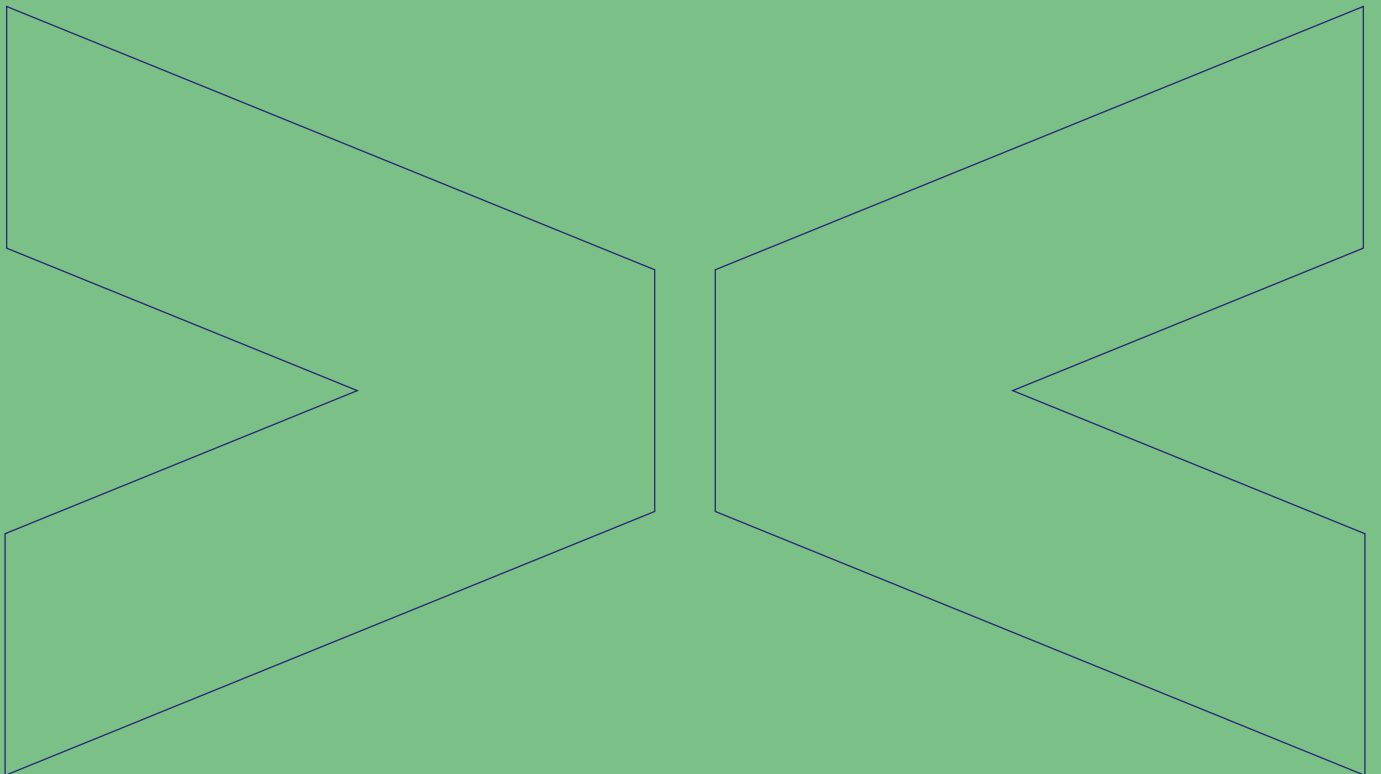
1. Bonus and option schemes are defined as variable remuneration. The variable portion in 2019 reflects the cash settlement related to the cancellation of the 2016 option scheme and the Fair Market Value (FMV) of new options granted.
2. Variable portion 2019 includes Fair Market Value (FMV) of total options granted.
3. Colette Cohen took up office 15 September 2019 and remuneration for 2019 is pro-rata.
4. Robert J. McGuire took up office 2 March 2020 and remuneration for 2020 is pro-rata.
5. Jan Lernout took up office 19 May 2021 and remuneration for 2021 is pro-rata.
6. Yves-Louis Darricarrère took up office 15 September 2019 and ended office 19 May 2021. Remuneration for 2019 and 2021 are pro-rata.
7. Chris Bruijnzeels took up office 15 September 2019 and ended office 19 May 2021. Remuneration for 2019 and 2021 are pro-rata.
8. Lars Purlund took up office 26 May 2016 and resigned 14 April 2021. Remuneration for 2021 is pro-rata.

For further information on the Board of Director's equity-based remuneration, refer to pages 15-18.



# 03

# Executive Management Remuneration



# Executive Management Remuneration

BlueNord's current Executive Remuneration Policy was approved by the AGM on 19 May 2022; 72.54 percent of issued voting shares voted; 99.97 percent (86.75 percent) voted in favour and 0.03 percent (13.25 percent) voted against the proposed policy, representing respectively 72.52 percent (54.58 percent) and 0.02 percent (8.3 percent) of the share capital.

Remuneration is based on the same pillars and principles for both executives and employees:

- A clear and transparent compensation-policy.
- Compliance with regulatory requirements and principles of good business conduct.
- Fair treatment of all employees.
- Sustainable pay linking remuneration to performance, actual results and stakeholder value creations.

## Remuneration of the executive management

The total remuneration for executives shall be competitive to attract, motivate and retain qualified and high-performing executives in a global industry. Compensation offered is to reflect the accountabilities, reward success in value creation, ensure alignment to strategy and shareholders' interests and reflect market trends and practices to remain competitive. Total remuneration for executives consists of three main elements: fixed pay, pension and benefits, and variable pay.

The Board of Directors decides on individual compensation for CEO/Managing Director (MD) and Chief Financial Officer (CFO). The CEO/MD decides for other Executives, seeks advice, and informs the Remuneration Committee and the Board when applicable.

## Executive management 2022 remuneration

In thousands USD

Board member	Position	Employment period		Fixed remuneration			Variable pay		Extraordinary items	Total Remuneration	Fixed %	Variable %
		From	To	Salary	Other benefits	Pension	STIP <sup>(1,2)</sup>	LTI <sup>(3)</sup>				
Euan Shirlaw	CEO and CFO	01/10/2019	–	470	2	27	277	2,506	–	3,282	15%	85%
Cathrine Torgersen	EVP, Investor Relations & ESG	01/01/2020	–	276	1	15	143	1,061	–	1,496	19%	81%
Hege Hayden <sup>(4)</sup>	EVP, People & Capability	01/10/2020	31/08/2022	115	2	10	73	–	–	199	64%	36%
Marianne Eide	COO	01/01/2022	–	298	44	15	174	1,736	–	2,266	16%	84%
Jaqueline Lindmark Boye <sup>(5)</sup>	EVP Finance	01/11/2022	–	41	0.1	4	24	–	–	69	65%	35%
<b>Total executive management remuneration 2022</b>				<b>1,199</b>	<b>49</b>	<b>70</b>	<b>691</b>	<b>5,303</b>	<b>–</b>	<b>7,313</b>	<b>18%</b>	<b>82%</b>

1. Expensed Annual Performance bonus 2022 to be paid in April 2023.
2. Short-Term Incentive Programmes.
3. Long-Term Incentive Programmes: long-term incentives are fully reported with FMV in year of grant. Vested and unvested share options were translated into retention shares in 2022. FMV of retention shares set based on share price on grant date of NOK 391. FMV of retention shares for Euan Shirlaw and Cathrine Torgersen are deducted the FMV at translation date of their translated share options respectively granted in 2019 and 2020. Performance shares granted according to programme terms based on average volume-weighted average price (VWAP) in December 2021 of NOK 148.8. FMV conservatively set based on full performance achievement and share price on grant date of NOK 391.
4. Hege Hayden – pro-rated until organisational change September 2022.
5. Jacqueline Lindmark Boye – pro-rated from when she was promoted and took up her new position in November 2022 as a result of organisational change in September 2022.

# Executive Management Remuneration continued

## Fixed remuneration

### Fixed salary

BlueNord aims to provide competitive salaries and equal pay to attract and retain individuals with the right capabilities to execute business strategy and ensure sustainable development of the BlueNord Group. Base salary rewards day-to-day performance and represents overall a significant component of the executives' total remuneration payment.

The Remuneration Committee reviews fixed salaries for the executives annually, taking into account a number of relevant factors, including the individual's performance, role and responsibilities. The Committee takes into account relevant market benchmarks provided by external advisers.

In the period 2020-2021, no general annual salary increase applied for the Executive Directors. A general annual salary adjustment for eligible staff took place in 2022. However, there was no general annual increase for the Executive Directors.

Euan Shirlaw's salary was increased to reflect his revised role as Acting Managing Director and CFO from 1 December 2021. This salary level was maintained when appointed as CEO in May 2022.

### Pension

To attract and retain executives, a competitive retirement benefit is offered, in addition to the respective national public pension plans, through market-adapted pensions plans.

Aligned with regulatory requirements within the respective jurisdictions, BlueNord provides defined contribution pension plans for its executives similar to that offered to other employees.

### Benefits

Suitable cash and non-cash benefits are offered in line with market practice to foster employer attractiveness, executive retention and for BlueNord to meet its obligations of safeguarding a healthy and positive working environment.

Executives have similar benefits as other employees to support flexibility, work efficiency and appropriate working conditions to include: company mobile phone, free mobile subscription, and domicile broadband. Executives are eligible for the same personal, health and travel insurance as employees according to local legislation or across the Group when applicable.

Executives and employees are eligible for the same holiday entitlements.

To support BlueNord's ESG objectives, no company car nor car allowance has been offered to executives nor any new employee. There have been no changes in benefits offered to executives and employees in 2022.

## Variable remuneration

BlueNord offers a variable pay programme as part of the total remuneration to its executives to incentivise the execution of the business strategy, delivery of financial targets and to ensure long-term value creation aligned with shareholders' interests.

### Short-term incentives

BlueNord's STI plans shall incentivise the execution of the business strategy and reward delivery against annual corporate targets and priorities, as well as the achievement of personal objectives. The bonus programmes rewards performance that exceeds expectations and delivers distinctive outcomes and is, therefore, not regarded as part of base compensation.

### Annual Performance Bonus Programme

The scope of the Annual Performance Bonus Programme for 2022 is to drive and reward delivery of short-term strategic priorities, performance improvements and behaviour that is consistent with long-term value creation for BlueNord shareholders. The actual Performance Bonus Programme award is a purely discretionary decision of the Board of Directors of BlueNord ASA.

The Executive Bonus Programme is aligned with the Annual Performance Bonus Programme applicable for all employees. The programme recognises group performance as basis for the bonus pool and rewards extraordinary individual performance based on the outcome of the annual performance reviews.

For executives, the Annual Performance Programme has a maximum potential of 60 percent of annual base salary.

The bonus pool to be distributed will be determined by the successful delivery of KPIs set for 2022.

The KPIs are weighted and set as qualitatively measuring of progress and delivery of defined tangible activities that support the strategic priorities set for 2022, emphasising value protection alongside value creations. Operational and financial/commercial success criteria have been set.

Successful delivery of the operational and financial/commercial KPIs can, for each category, contribute 75 percent with a corresponding 50 percent reduction for non-deliveries. The total successful contribution to the bonus pool is capped at 100 percent. In a low performance case, where the reduction to the bonus pool is higher than the positive contribution, no bonus is paid.

The performance period will normally follow the calendar year and performance will be assessed by the Board in March 2023 along with the approval of the Annual Report 2023.

For the financial year 2022, and based on operational and financial results, the Annual Performance bonus pool to be paid in April 2023 is expensed equal to the maximum potential.

# Executive Management Remuneration continued

## Variable remuneration continued

### Annual Performance Bonus Programme continued

For the bonus programme for 2023, strategic priorities for 2023 were discussed with the Board in January and the KPIs are now elaborated and quantified for the Board's approval in March.

### One-off Bonus Programme

The One-off Bonus Programme recognises exceptional contribution outside the regular bonus cycle e.g. extraordinary performance or commitment, special achievements and/or state of excellence.

No one-off bonus was awarded to executives for 2022.

### Long-Term incentives

BlueNord's LTI plans are to align executives and employees' interests with shareholders', and recognise the organisation's success or otherwise in driving long-term value creation across a multi-year horizon. BlueNord believes that long-term value sharing attracts and retains the best talent, promotes an ownership mindset, builds trust, reinforces the Company's business model and accelerates results.

The LTI programmes are exclusively incentive schemes made available by BlueNord at its sole discretion.

### Share Option Programme

The Share Option programme implemented in 2018 and later amended on 7 August 2019, was replaced for executives in 2022 with a one-off Executive Retention Share Programme and an annual Performance Share Programme.

There are no performance criteria linked to the Share Option Programme nor any holding period for exercised share options. The Share Options Programme has no cap limiting the value upon exercise.

### Executive Retention Share Programme

Existing options previously granted to executives under the Share Option Programme were translated into a one-off award of performance shares in September 2022, where retention is the only performance KPI set. Retention shares granted under the programme have a three year vesting period.

The number of retention shares awarded were based on issued share options calculated based on BlueNord's VWAP over the previous five trading days prior the programme replacement, minus the strike prices of the options. Both vested and unvested share options were converted into retention shares that will vest in full after three years in September 2025. This means that the vesting period for executives with vested options was extended with another three-year period.

If/when the entitlement arises, the retention shares will be transferred free of charge, either as a net award or a cash payment equal to the value of the net granted shares on transfer date. BlueNord can, at its sole discretion, adjust the number of granted shares (up or down) in order to deal with and/or to eliminate the impact of any share split, reserve share splits, demerger or rights issues so as to maintain the value of the granted shares, and correspondingly to terminate the programme with immediate effect.

The programme includes claw-back and forfeiture provisions.

### The Performance Shares Programme

In September 2022, an annual long-term Performance Share Programme was implemented with effect from 1 January 2022 replacing the Share Option Programme as BlueNord's LTI plan for executives and employees.

The programme applies to all permanent employees.

An executive's maximum entitlement upon grant is calculated based on 100 percent of their annual base salary at 1 January in the first year of the performance period and the average VWAP for each trading day in December in the year immediately preceding the performance period.

The actual award of shares under this LTI programme, after the three-year vesting period, will be based on performance against a weighted set of KPIs currently measuring share price performance on an absolute and relative basis (70 percent), emissions reduction performance (20 percent) and tenure (10 percent).

The gross awarded shares to be transferred to an executive, has a cap of 300 percent of their annual salary as of the first year of the performance period. Performance shares to be awarded will be delivered net of tax.

Performance shares granted in 2022 have an annual vesting with a distribution equal 25 percent, 25 percent and 50 percent over the total three-year vesting period. For any subsequent grant, a three-year cliff vesting period applies. Any awards will be done by end August in the year following the three-year vesting period.

BlueNord selects, at its sole discretion, the persons eligible to participate in each individual grant of performance shares. Correspondingly, the Company can decide at its sole discretion, to settle the awards in cash.

The programme's claw-back and forfeiture provisions cover future rights, shares transferred, or compensation previously paid out.

# Executive Management Remuneration continued

## Executive management remuneration summary 2018-2022<sup>(10)</sup>

In thousands USD

Executive member		2022			2021			2020			2019			2018	
		Total Fee	Variable portion %	Change %	Total Fee	Variable portion %	Change %	Total Fee	Variable portion %	Change %	Total Fee	Variable portion %	Change %	Total Fee	Variable portion %
Euan Shirlaw <sup>(1)</sup>	CEO and CFO	3,282	85%	370%	698	43%	12%	622	48%	138%	262	61%	-	-	-
Marianne Wold Eide	COO	2,266	84%	100%	-	-	-	-	-	-	-	-	-	-	-
Cathrine Torgersen <sup>(2)</sup>	EVP, Investor Relations & ESG	1,496	81%	295%	379	43%	114%	177	0%	-	-	-	-	-	-
Jaqueline Lindmark Boye <sup>(3)</sup>	EVP, Finance	69	35%	100%	-	-	-	-	-	-	-	-	-	-	-
Hege Hayden <sup>(3)</sup>	EVP, People & Capability	199	36%	-32%	291	35%	565%	44	0%	-	-	-	-	-	-
John Hulme <sup>(4)</sup>	Former COO	-	-	-100%	676	46%	100%	-	-	-	-	-	-	-	-
David B. Cook <sup>(5)</sup>	Former CEO	-	-	-100%	1,576	51%	-43%	2,749	87%	-	-	-	-	-	-
Fredrik Rustad <sup>(6)</sup>	Former MD/EVP	-	-	-100%	564	76%	109%	270	12%	-83%	1,613	85%	707%	200	0%
Atle Sonesen <sup>(7)</sup>	Former MD and COO	-	-	-	-	-	-100%	1,061	54%	1209%	81	8%	100%	-	-
Sjur Talstad <sup>(8)</sup>	Former COO	-	-	-	-	-	-	-	-	-100%	576	26%	704%	72	0%
Cecilie Olesen Lindseth <sup>(9)</sup>	Former MD	-	-	-	-	-	-	-	-	-	-	-	-100%	76	0%
<b>Total</b>		<b>7,313</b>	<b>82%</b>	<b>75%</b>	<b>4,184</b>	<b>50%</b>	<b>-15%</b>	<b>4,922</b>	<b>67%</b>	<b>94%</b>	<b>2,532</b>	<b>66%</b>	<b>629%</b>	<b>347</b>	<b>0%</b>

- Variable portion includes FMV of performance shares and retention shares granted in 2022. Vested and unvested share options were translated into retention shares in 2022. FMV of retention shares are deducted the FMV at translation date of its vested share options granted in 2019.
- Variable portion includes FMV of performance shares and retention shares granted in 2022. Vested and unvested share options were translated into retention shares in 2022. FMV of retention shares are deducted the FMV at translation date of its vested and unvested share options granted in 2020.
- Jacqueline Lindmark Boye and Hege Hayden are pro-rated according to organisational changes.
- John Hulme was employed 15 March 2021 and resigned in 2021. Remuneration calculated pro-rata until release date at year end. Variable portion 2021 includes allocated cost for Extraordinary items related to terms for payment at end of employment.
- David B. Cook was employed 1 July 2020 and resigned 29 November 2021. Remuneration calculated pro-rata until release date. Variable portion 2021 includes allocated cost for Extraordinary items related to terms for payment at end of employment. Variable portion includes Fair Market Value of total options granted in 2020.
- Frederik Rustad, employed 7 December 2015, was appointed Managing Director 1 April 2018 which implied an 111 percent increase in salary. Remuneration 2018 pro-rata. He resigned in 2021. Fixed pay calculated pro-rate until release date 1 May 2021. Variable portion 2021 includes allocated cost for Extraordinary items related to terms for payment at end of employment. Variable portion 2019 includes Fair Market Value of total options granted.
- Atle Sonesen, employed 1 November 2019 was released from duty 15 November 2020. Remuneration calculated pro-rata. Variable portion 2020 includes Extraordinary items related to terms for payment at end of employment. Granted options in 2020, but all terminated in 2020, thus FMV not included.
- Sjur Talstad, employed 15 November 2018 was released from duty on 30 August 2019. Remuneration calculated pro-rata. Variable portion 2019 includes Extraordinary items related to terms for payment at end of employment.
- Cecilie Olesen Lindseth, employed 1 October 2017 until 31 March 2018. Remuneration calculated pro-rata.

2021 numbers kept as presented in the 2021 report, but reported numbers should actually have been lower based on the FX on payment day. Except for 2022, the summary presents the actual annual remuneration earned for the year. Variable portion for 2022 includes earned bonus for 2022 to be determined and paid in April 2023, ref page 9.

For further information on the Executive Management's equity-based remuneration, refer to pages 15-18.



# Executive Management Remuneration continued

## Ratio executives vs employees remuneration summary 2018-2022

### Five-year history of financial performance and average staff cost

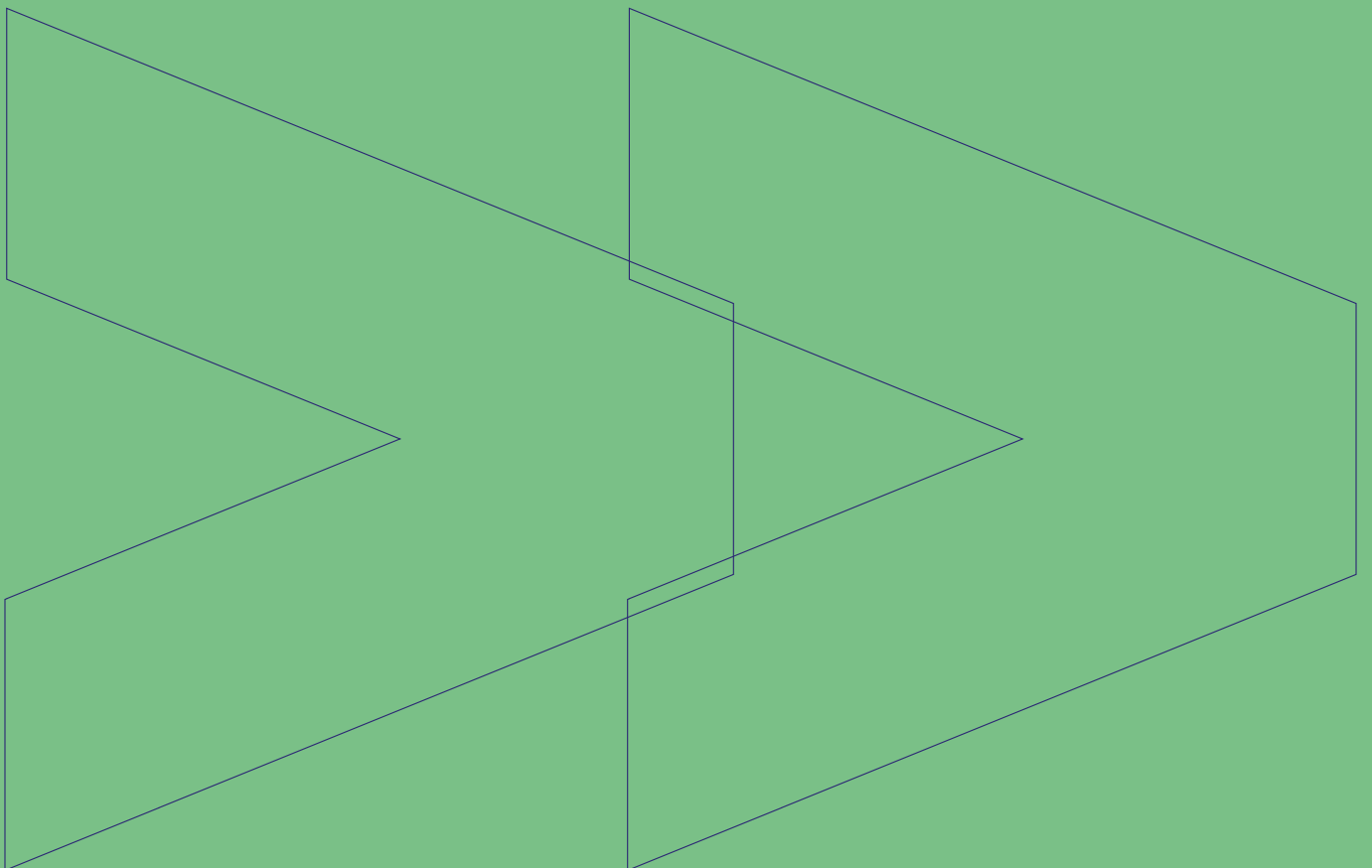
<b>Financial performance</b>	Unit	2022	Change %	2021	Change %	2020	Change %	2019	Change %	2018
Total revenue	USDm	967	71%	565	0%	566	70%	333	17569%	2
Net result for the period	USDm	(31)	-43%	(53)	-405%	17	-92%	215	-4407%	(5)
Total production	mboepd	26.7	-1%	26.9	-6%	28.5	-20%	35.7	53913%	0.1
Average total FTE		28.9	6%	27.4	-6%	29.0	90%	15.3	129%	6.7
<b>Average remuneration of group employees</b>										
Average employee remuneration, excluding executives <sup>(1)</sup>		235.2	-8%	254.6	40%	181.9	-18%	222.4	7%	207.7
Average executives/average employee ratio, remuneration <sup>(1)</sup>		2.2	-35%	3.4	13%	3.1	15%	2.7	240%	0.8

1. The total remuneration is excluding LTI grants but includes Extraordinary items.



# 04

# Equity-Based Payment and Shareholdings



# Equity-Based Payment and Shareholdings

BlueNord seeks to comply with the Norwegian Code of Practice for Corporate Governance (the "Corporate Governance Code"), last revised on 14 October 2021.

However, regarding certain aspects of shareholding, BlueNord deviates from the code:

- The Board of Directors of BlueNord have been, and are expected to be, provided with authorisations to acquire own shares and issue new shares. Not all such authorisations have separate and specific purposes, for each authorisation as the purposes of the authorisations shall be explained in the notices to the general meetings adopting the authorisations.
- Options have been granted to members of the Board of Directors in addition to management through the Share Option Programme of BlueNord.

## Share options

BlueNord ASA first implemented a share option programme at the AGM 21 January 2016, that later was extended and expanded. At an Extraordinary General Meeting (EGM) held 8 November 2018 (and later amended), where the Board of Directors was authorised to grant options up to a total of 1,510,000 shares in the Company as part of a new incentive programme. In May 2020, the beneficiaries under the Share Option Programme were offered amended terms of (i) a reduced strike price of NOK 160 per share and (ii) a reduction

in the number of options granted of 30 percent. Following this, the option programme was reduced from a total of 1,510,000 shares to 1,198,868 shares in the Company and the outstanding options at the time were reduced by 323,086 to 753,868.

In addition to the above-mentioned option programme, the EGM on 7 August 2019 resolved a Share Option Programme in which BlueNord may issue one option for each share purchased by any Board member up to a total of 10,000 shares for each Board member. Executive Chair Riulf Rustad and at that time Board member Lars Purlund were not eligible to participate in this Share Option Programme.

The Board of Directors of BlueNord ASA granted on 19 September 2022 additional share options to executives whereas both unvested and vested share options were immediately translated into performance shares with retention as the only performance metric, ref page 11. No additional options have been granted to remaining participants in the Share Option Programme.

In total, 301,000 vested share options have been exercised in 2022. In total, 391,868 options are granted per 31.12.2022 and the programme counts 406,201 options remaining to be granted under the programme.

### Total shares options:

Outstanding at 31 December 2021	748,868
Share options granted in 2022	122,000
Share options exercised in 2022	(301,000)
Share options translated in 2022	(178,000)
Outstanding at 31 December 2022	391,868

### The following table list the inputs to the model used:

Weighted averages	2022	2021	2020	2019	2018
Fair value at valuation date (NOK)	83	83	63	92	n/a
Share price at valuation date (NOK)	143	143	145	278	n/a
Exercise price (NOK)	160	160	160	238	n/a
Expected volatility	57.49%	57.49%	57.96%	34.6%	n/a
Expected life (years)	2.7	2.7	3.9	5	n/a
Expected dividends	n/a	n/a	n/a	n/a	n/a
Risk-free rate (based on government bonds)	0.35%	0.35%	0.36%	1.2%	n/a
Model used	Black – Scholes – Merton				



# Equity-Based Payment and Shareholdings continued

## Board members' share options

Name	Position	"Vesting period"	"Grant date"	"Expiry date"	"Strike Price" <sup>1)</sup>	USD1,000		Number						
						FMV on grant date	Options granted	1 Jan 2022	Granted	Terminated	Exercised	31 Dec 2022	Vested	Unvested
Riulf Rustad	Executive Chair	No	01/08/19	01/08/24	160	4,195	280,000	280,000	-	-	-	280,000	280,000	-
		3 years	01/08/19	01/08/24	160	993	63,000	63,000	-	-	-	63,000	63,000	-
Marianne Lie	Board member	3 years	30/08/19	31/08/24	160	49	4,868	4,868	-	-	-	4,868	4,868	-
Tone Kristin Omsted	Board member	3 years	30/08/19	31/08/24	160	35	3,500	3,500	-	-	-	3,500	3,500	-
Jan Lernout	Board member	-	-	-	-	-	-	-	-	-	-	-	-	-
Colette Cohen	Board member	-	-	-	-	-	-	-	-	-	-	-	-	-
Robert J. McGuire	Board member	-	-	-	-	-	-	-	-	-	-	-	-	-
Peter Coleman	Board member	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>						<b>5,273</b>	<b>351,368</b>	<b>351,368</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>351,368</b>	<b>351,368</b>	<b>-</b>

1. Original strike price 240, terms amended by AGM approval May 2020 and number of options granted reduced by 30 percent.

## Board members' holdings of shares in BlueNord ASA

Name	Role	Number			
		1 Jan 2022	Acquired	Sold	31 Dec 2022
Riulf Rustad	Executive Chair	146,975	53,025	-	200,000
Tone Kristin Omsted	Board member	5,000	-	-	5,000
Marianne Lie	Board member	8,954	-	-	8,954
Jan Lernout	Board member	-	-	-	-
Colette Cohen	Board member	-	-	-	-
Robert J. McGuire	Board member	-	-	-	-
Peter Coleman	Board member	-	-	-	-
<b>Total</b>		<b>160,929</b>	<b>53,025</b>	<b>-</b>	<b>213,954</b>

The number of shares owned by Board members is allocated between private shareholding and shareholding through companies controlled by Board members.

By purchasing shares in the Subsequent Offering commencing 12 August 2019, Tone Kristin Omsted and Marianne Lie were granted options based on the Option Share Programme of 7 August 2019. Marianne Lie held 2,000 shares via Fajoma Consulting prior to taking up office a Board member at BlueNord ASA. Thus, 2,000 of the total 8,954 shares were not included in the option grant basis.

# Equity-Based Payment and Shareholdings continued

## Executives' share options

Name	Position	"Grant date"	"Expiry date"	"Strike Price" <sup>1)</sup>	USD 1,000		Number						
					FMV on grant date	# options granted	1 Jan 2022	Granted	Translated	Exercised	31 Dec 2022	Vested	Unvested
Euan Shirlaw	CEO and CFO	30/08/19	31/08/24	160	425	42,000	42,000	-	(42,000)	-	-	-	-
		19/09/22	19/09/27	160	1,313	58,000	-	58,000	(58,000)	-	-	-	-
Marianne Eide	COO	19/09/22	19/09/27	160	996	44,000	-	44,000	(44,000)	-	-	-	-
Cathrine Torgersen	EVP, Investor Relations & ESG	31/01/20	31/01/25	160	165	14,000	14,000	-	(14,000)	-	-	-	-
		19/09/22	19/09/27	160	453	20,000	-	20,000	(20,000)	-	-	-	-
Jaqueline L. Boye	EVP, Finance	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>					<b>3,352</b>	<b>178,000</b>	<b>56,000</b>	<b>122,000</b>	<b>(178,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

1. Original strike price 240, terms amended by AGM approval May 2020 and number of options granted reduced by 30 percent.

The vesting period for grant of share options is three years.

Fair Market Value of options granted in 2019 and 2020 are set at grant date and calculated based on Black-Scholes-Merton model. Based on share price on the date these share options were translated, the FMV of options granted prior to 2022 for Euan Shirlaw and Cathrine Torgersen implies respectively 124 percent and 91 percent value increase if had been exercised at translation date. As previously stated in this report, both vested and unvested share options were converted into retention shares that will vest in full after three years in September 2025. This means that the vesting period for executives with vested share options was extended with another three-year period before their LTI can be realised. Thus, Euan Shirlaw and Cathrine Torgersen were granted additional share options prior to share options being translated into retention shares.

FMV for share options granted 2022 not reported as remuneration in 2022 due to immediate translation into retention shares. LTI reported in total remuneration 2022 ref page 9, for Euan Shirlaw and Cathrine Torgersen, the FMV of retention shares are deducted the FMV at translation date of share options granted respectively 2019 and 2020.

## Executives' long-term incentive programmes

In thousands USD

Name	Position	Grant date	Expiry date	Retention shares		Performance shares		Total LTI	
				FMV on grant date	# shares granted	FMV on grant date	# shares granted	FMV on grant date	# shares granted
Euan Shirlaw	CEO & CFO	19/09/22	19/09/25	2,300	60,014	1,157	30,192	3,457	90,206
Marianne Eide	COO	19/09/22	19/09/25	1,012	26,406	724	18,892	1,736	45,298
Cathrine Torgersen	EVP, Investor Relations & ESG	19/09/22	19/09/25	782	20,404	596	15,561	1,378	35,965
Jaqueline L. Boye	EVP, Finance	-	-	-	-	165	4,295	165	4,295
<b>Total</b>				<b>4,093</b>	<b>106,824</b>	<b>2,642</b>	<b>68,940</b>	<b>6,735</b>	<b>175,764</b>

Existing options previously granted to executives under the Share Option Programme were translated into a one-off award of performance shares in September 2022, where retention was the only performance KPI set. Retention shares granted under the programme have three years vesting period. FMV for retention shares set equal to share price on grant date of NOK 391.

LTI reported in total remuneration 2022 ref page 9, the FMV of retention shares for Euan Shirlaw and Cathrine Torgersen are deducted the FMV at translation date of their share options granted 2019 and 2020, respectively USD 950,796 and USD 211,280. Jacqueline L. Boye was granted her performance shares under the terms as employee in September 2022 and thus not reported as Executive remuneration on page 9.

# Equity-Based Payment and Shareholdings continued

## Executives' holdings of shares in BlueNord ASA

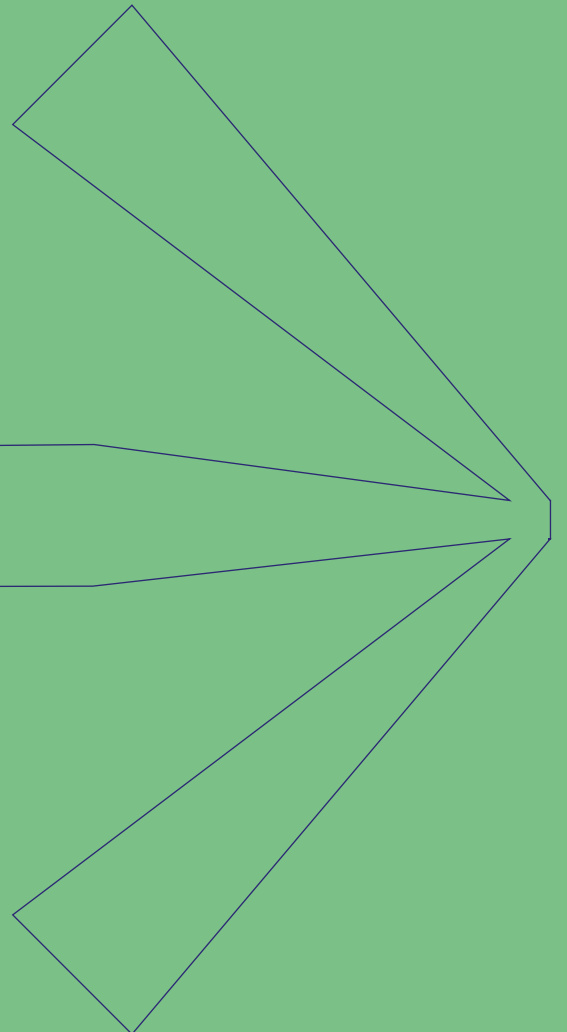
Name	Role	Number			
		1 Jan 2022	Acquired	Sold	31 Dec 2022
Euan Shirlaw	CEO and CFO	–	–	–	–
Marianne Eide <sup>(1)</sup>	COO	–	1,800	–	1,800
Cathrine Torgersen <sup>(1)</sup>	EVP, Investor Relations & ESG	700	1,500	–	2,200
Jaqueline Boye Lindmark	EVP, Finance	–	–	–	–
<b>Total</b>		<b>700</b>	<b>3,300</b>	<b>–</b>	<b>4,000</b>

1. Cathrine Torgersen's and Marianne Eide's shares were privately purchased and is not awarded as remuneration in their employment.



# 05

# Management Statement





# Management Statement

The Board of Directors has today considered and adopted the Executive Remuneration Report of Norwegian Energy Company ASA (BlueNord) for the financial year 2022.

The Executive Remuneration Report has been prepared in accordance with the Public Limited Liability Companies Act § 6-16b.

The Executive Remuneration Report is submitted to the Annual General Meeting for voting.

**Oslo, 28 March 2023**

## Board of Directors

**Riulf Karsten Rustad**  
Executive Chair

**Tone Kristin Omsted**  
Board member

**Marianne Lie**  
Board member

**Colette Cohen**  
Board member

**Robert J. McGuire**  
Board member

**Jan Lernout**  
Board member

**Peter Coleman**  
Board member

# Independent auditor's assurance report

## To the General Meeting of Norwegian Energy Company 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 Norwegian Energy Company ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2022 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 Management

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. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain 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 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.

**Oslo, 28 March 2023**  
**KPMG AS**

#### Mona Irene Larsen

State Authorised Public Accountant  
(electronically signed)

