

Executive Compensation Declaration for 2017

The Board has appointed a remuneration committee under management of a board member. The remuneration committee monitors decisions regarding remuneration and other terms for the executive management. The CEO's total compensation, and any adjustments thereto, is first reviewed by the remuneration committee and then approved by the Board. The Board considers CEO compensation each year. The compensation of the other members of the executive management, including adjustments of these, are agreed between the CEO and the respective manager.

The Board proposes the following Declaration of the Principles for Compensation of the CEO and other members of the Executive Management according to the Norwegian Public Limited Liability Companies Act § 6-16a:

The main principle in the Company's policy for remuneration and compensation is that the members of the executive management team shall be offered competitive terms, so as to achieve the desired competence and incentives in the Company's executive management team.

The Company has established an annual performance bonus program for the executive management team, in which the manager must remain within his position (not resigned) until the start of the following year in order to be eligible. The bonuses may be awarded as a direct cash payment or as share options in the Company. Performance-based compensation will be subject to an absolute limit and fulfilment of performance criteria, both decided by the Board at its discretion.

The Board wishes to continue the scheme of awarding stock options to all full time employees in 2017 in accordance with the principles of the option program for 2016. These principles are described in the minutes of the extraordinary general meeting on 8 December 2015. The Board proposes allocating up to 1.7 million options in 2017, equivalent to approximately 1% of the total number of issued shares.

The Company offers pensions plans to all employees, managers included. In addition, the Company provides managers with other limited benefits in kind such as a company telephone.

The Company's Chief Executive Officer has agreed to a 6-month mutual resignation period, except that the resignation period increases to 12 months in the event that the Company is acquired or merged with another company.

The guidelines for determination of salary and other compensation for leading employees as outlined for the Annual General Meeting in 2015 have been complied with for in 2016 with the exception of performance bonus program in which the extraordinary general meeting on 8 December 2015 resolved to introduce a stock option program for 2016. 1,590,000 options were granted February 26, 2016 under this program.

Additional detailed information regarding compensation for the executive management team is provided in Note 11 to the consolidated Group accounts for 2015.