



Statement on Remuneration of Executive Management

Miami, FL, May 2020

This Board of Directors of Atlantic Sapphire ASA ("**Atlantic Sapphire**" or, the "**Company**" and, together with its subsidiaries, the "**Group**") determines the principles applicable to the Group's policy for compensation of executive management, and hereby presents its statement on such principles for the 2020 financial year to the Ordinary General Meeting of the Company in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act.

Pursuant to Section 5-6 (3) of the Norwegian Public Limited Companies Act, the Ordinary General Meeting of the Company shall hold a consultative vote over this statement. However, the guidelines related to share-based incentive schemes (see "Long-Term Incentive Program" below) shall be voted on and be binding for the Company's Board of Directors (cf. Section 5-6 (3) of the Norwegian Public Limited Companies Act).

The following principles guide the determination of compensation and other incentive awards regarding the remuneration of the Group's executive management.

The Group's remuneration policy seeks to promote growth, reward performance and motivate executive management to maximize the creation of sustainable, long-term shareholder value.

Guidelines for Executive Management Compensation

Atlantic Sapphire's long-term goal is to transform the salmon farming industry and become a global leader in sustainable, high-quality protein production through innovation and the responsible implementation of land-based aquaculture technology. Executive management plays a critical role in achieving this goal.

The principles supporting the Group's remuneration policy are as follows:

- Offer executive compensation that is competitive, both on industry and national (US) levels, to attract and retain top managerial talent.
- Emphasize a collaborative culture and a lean organizational structure.
- Provide incentives that foster the creation of sustainable, long term shareholder value.
- Ensure that the Group's executive management is aligned with key organizational goals.

Fixed Compensation

Base Salary

The base salaries paid to executive management are intended to attract and retain talented individuals. It is set to reflect market standards, such executive's role and responsibilities within the Group, as well as such person's experience as it relates to his or her position. Over time, Atlantic Sapphire expects the base salaries of executive management to be at or around the market median for comparable positions in the industry and in the US.

The Group may pay above or below the market median for certain individuals for a variety of reasons, including, but not limited to, knowledge and skill, scarcity of qualified candidates, individual capabilities and contributions, time in the industry and organization, importance of the role to the Group overall and potential for future growth.



Variable Compensation

Annual Cash Incentive Program

The annual cash incentive program is a short-term incentive plan designed to drive desired performance and business results throughout the Group. This program is based on predetermined goals and key performance indicators for each fiscal year with corresponding compensation awards determined at a “minimum”, “target” or a “maximum” level. The program for 2020 is comprised of the following three performance areas: US construction costs, biomass growth and Denmark EBITDA.

This program has a maximum payout for any senior executive at 12% of such individual’s annual base salary.

Long-Term Incentive Program

The key objectives of Atlantic Sapphire’s long-term incentive (“LTI”) program are to (1) align the interests of executive management, employees and shareholders and (2) provide the Group’s employees an opportunity to share in the value creation and long-term development of the Group.

The Company has a share option scheme that was approved by the Company’s annual general meeting in 2017, which authorized up to 1,600,000 shares. In 2020, the Board of Directors approved issuance of 454,672 new share options to employees under the share option scheme. 316,672 of these options were part of the Company’s new, annual long-term incentive program.

Individual LTI grants will be determined based on the Group’s performance, comparable market practices and performance. At this time, the LTI grants provided by the Group include the following: (1) share options granted at the five-day trading average as of the date of grant and (2) performance-based share options granted at a strike price of 30% above the five-day trading average as of the date of grant. All share options referenced above and granted under the LTI program are subject to a four-year vesting period and certain other requirements.

Retirement Benefits

The Company has a 401(k) plan, which is open to all employees after the first three months of employment. The Company will make a matching contribution on each employee’s behalf equal to (1) 100% of such employee’s contribution up to 3% of such employee’s base salary, plus (2) 50% of the amount of such employee’s contribution that exceeds 3% of base salary, up to 5% of the employee’s base salary, for the calendar year. The 401(k) plan has no vesting requirements.

Severance Pay

The Company has individual employment agreements with executive management, which also provide for certain terms and conditions with respect to notice periods and severance pay should the Company terminate or request the resignation of the executive.

Benefits in Kind

In addition to fixed and variable compensation, members of executive management are provided with other benefits, such as a mobile phone, laptop and a transportation reimbursement. Executive



management also receive health, vision and dental insurance, as well as short-term and long-term disability and life insurance.

Other than health insurance, the total value of these benefits are de minimis and account only for a limited portion of each executive's total remuneration package.