



ATLANTIC SAPPHIRE ASA - REMUNERATION POLICY FOR THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT TEAM

1 INTRODUCTION

1.1 About this Policy

This remuneration policy for the Board of Directors and the executive management team (the "**Policy**") provides a framework for remuneration at Atlantic Sapphire ASA ("**Atlantic Sapphire**" or the "**Company**", and together with its subsidiaries, the "**Group**"), as well as specific guidelines for incentive pay.

The Policy applies to: (i) the Board of Directors (the "**Board**"), and (ii) the Chairman and CEO of the Company and the Executive Management Team and is subject to approval by the general meeting of the Company upon its first adoption, and subsequently (i) either in respect of any material changes, or (ii) at least every four years. This Policy was approved by the Annual General Meeting of the Company in 2021.

An updated version of the Policy will be presented for approval by the Annual General Meeting of the Company in 2023.

This Policy has been prepared in accordance with Section 6-16a of the Norwegian Public Limited Companies Act, and the Norwegian Regulation on guidelines and report for executive personnel (Nw: *Forskrift om retningslinjer og rapport om godtgjørelse for ledende personer*).

1.2 Objectives

The objectives of this Policy are as follows:

- Support the Company's strategic performance and sustainability (ESG) targets;
- Drive the Company culture and values;
- Align remuneration with shareholder and stakeholder interests; and
- Provide guidelines for establishing the Executive Management Team's remuneration to attract, retain and motivate employees with the skills, qualifications and experience needed to maximize value creation for the Company and its shareholders.

1.3 Preparation and implementation of this Policy

The Compensation Committee prepared this Policy, and is also responsible for preparing later amendments and updates. Pursuant to this Policy, the Compensation Committee evaluates and implements the terms and conditions (including remuneration) of the appointments to the Executive Management Team and the terms and conditions (including remuneration) of the Executive Management Team.

Pursuant to this Policy, the Compensation Committee evaluates and implements remuneration of the Board.



The Board is responsible for proposing the Policy for adoption at the Company's general meeting as applicable.

1.4 Consideration of employee pay and employment conditions when preparing this Policy

With respect to this Policy, the Board also considered the remuneration for the Group's wider workforce.

1.5 Conflicts of interest

With respect to compensation-related matters, the Board and the Compensation Committee act independently of the Executive Management Team. To prevent potential conflicts of interest, the Compensation Committee's recommendations to the Board are based on market data provided by subject matter experts. No members of the Executive Management Team are present at either the Compensation Committee meeting or the Board meeting during which their remuneration is discussed, however Johan Andreassen (who has acted both as Chairman and CEO) is present in Board meetings where remuneration to other members of the Executive Management Team is discussed.

2 REMUNERATION POLICY FOR THE BOARD OF DIRECTORS

2.1 Process

The duties of the Compensation Committee are set forth in the Compensation Committee Charter. Pursuant to the Compensation Committee Charter and prior to approval, the Compensation Committee presents its recommendation regarding the remuneration of the Board members to the general meeting. In connection with such recommendation, the Compensation Committee reviews Board remuneration annually at a minimum and benchmarked against companies of similar size and complexity to Atlantic Sapphire.

The remuneration of the Board members is approved as a separate item on the agenda of the Annual General Meeting of the Company.

2.2 Fee levels

Any independent Chairman or member of the Board receives a fixed annual fee. In addition, each member of any committee may receive an additional fee based on the number of meetings held by each such committee.

2.3 Benefits

Members of the Board are reimbursed for reasonable and documented business expenses related to the performance of required functions. Such expenses include, but are not limited to, accommodation, transportation and meals when traveling for Board meetings, if applicable.

2.4 Incentive plans

As part of each Board member's remuneration package, the Company may also grant stock options based on recommendations provided by an external consultant. Such grants will be by the Company's Annual General Meeting, as applicable.



Such grants will vest *pro rata* over four-year periods and will have a five-year term to exercise such options following the grant date. Additional terms and conditions will apply in accordance with local US practice.

3 REMUNERATION POLICY FOR THE EXECUTIVE MANAGEMENT TEAM

3.1 Process

The Compensation Committee assists the Board with presenting a recommendation to the Board with respect to base compensation, bonus, long-term incentive compensation and benefits for the Executive Management Team. The Compensation Committee's detailed responsibilities are described in the Compensation Committee Charter, and reviews and monitors such compensation packages and overall strategy vis-à-vis similarly situated companies.

To support this function, the Compensation Committee engages external subject matter experts that provide market benchmarks and recommendations.

3.2 Remuneration elements and guidelines

The following sections provide an overview of the various elements of the remuneration of the Executive Management Team.

3.2.1 Guaranteed Cash (Base Salary)

Base salary is set annually, taking into account various factors, which include: (i) the individual's skills, performance and experience, (ii) increases for the broader workforce, (iii) external market data amongst peer companies, (iv) the size and responsibilities of the role, and (v) the geographical location of the role, internal relativity and external economic environment.

Purpose and link to strategy: To provide fixed remuneration that enables the Company to attract, retain and motivate employees with the skills, qualifications and experience needed to maximize value creation for the Company and its shareholders.

3.2.2 Non-Statutory Benefits (Retirement)

The Company has a defined contribution pension plan for its employees. The amount the Company matches of each employee's paid contribution to such plan is determined based on market practice.



Purpose and link to strategy: Provide market competitive and cost-effective benefits to attract and retain top talent.

3.2.3 Other benefits

In addition to the customary benefits provided to all employees (i.e. healthcare, life insurance, long and short term disability and lunch program and mobile expenses), the Company provides the Executive Management Team with financial counselling and tax preparation benefits and other benefits aligned with the market such as reimbursing reasonable business expenses to perform their duties. In-kind benefits paid by the Company are set considering the wider workforce rate and market practice in the US.

Purpose and link to strategy: Provide market competitive and cost-effective benefits to attract and retain top talent.

3.2.4 Variable Compensation for the Executive Management Team (excluding the CEO of AS USA & Chairman of the Board)

Short term incentives

The Company provides the Executive Management Team with a profit share bonus plan. Compensation under such plan is based on the Company achieving certain delineated financial and biological performance targets. Such targets are objective, measurable and linked to the achievement of the Company's strategic goals.

In addition, each member of the Executive Management Team is eligible for annual individual performance bonuses, which are reviewed and assessed by the Compensation Committee and benchmarked against similarly situated companies. When determining such bonuses, the Compensation Committee considers each individual's performance in light of the target goals set at the beginning of the year.

Long-term incentives

The Company's long-term incentive program takes into account financial and non-financial measurable criteria aligned with our sustainability (ESG) strategy, including criteria related to financial performance, fish welfare, environmental and social impact of the Group.

The targets are measurable and set up in advance and reviewed against achievement throughout the year.

A part of the long-term incentives are share options that can be granted to employees, including members of the Executive Management Team. Subject to approval by the Company's annual general meeting in 2023, the strike price of the share options shall be determined at the Board's discretion, but shall not be set below the current share price at the time of the grant. The share option grants that have been made prior to the annual general meeting in 2023 include the following with regards to strike price; (i) share options granted at the five-day trading average as of the date of the grant, and (ii) performance-based share options granted at a strike price of 30% above the five-day trading average as of the date of the grant. The share option grants to each individual will be determined based on the Group's performance, comparable market practices and performance.



Each share option grants the holder a right to require delivery of one (1) share in the Company. All share options are subject to a vesting period of at least four years and certain other requirements, such as expiry date and accelerated vesting of all options in case of a merger or acquisition of the Company. The terms and conditions for each share option grant will be set out in individual option agreements with the option holders.

3.2.5 Share option package for Johan Andreassen, CEO of AS USA

Johan E. Andreassen, as CEO of ASUS, is a key target of the long-term retention option program of Atlantic Sapphire. As a founder of the Company, the long-term retention of Mr. Andreassen is critical for the Group's performance and delivering shareholder value.

In order to maintain retention and appropriate incentives for Mr. Andreassen, it has been proposed a new share option package for Mr. Andreassen (the "**CEO Option Program**") that shall replace the share option program approved by the annual general meeting in 2021. The CEO Option Program is subject to approval by the annual general meeting in 2023.

The CEO Option Program shall secure Mr. Andreassen a path to an ownership over the next five years that is similar to the level he and his associated companies have had before the March 16th, 2023 Private Placement (the "**2023 Private Placement**"), i.e. a shareholding of approximately 10% of the total outstanding shares.

The CEO Option Program is proposed to be split into two parts, one that gives Mr. Andreassen the opportunity to offset some of the dilutionary effect of the 2023 Private Placement within the end of 2025, and one that will act as a long-term incentive plan with a longer duration. The main components of the two parts are further described below:

Part 1 – 2.5% of the outstanding shares after the 2023 Private Placement when fully vested

- **Number:** 7.0m options (equivalent to approx. 2.5% of the outstanding number of shares)
- **Vesting:** The conditions for vesting shall be determined by the Board of Directors following the annual general meeting in 2023, but the share options in Part 1 shall vest no later than 31 December 2024
- **Expiry:** All options expire on December 31, 2025
- **Strike:** All options have a strike price of NOK 10 per share (approx. 2x current share price)
- **Lock-up:** Upon exercise of the options, there is a 5-year lock-up period before the shares may be traded
- **M&A:** In the event of a merger or acquisition of the Company, all options vest immediately

Part 2 – 2.5% of the outstanding shares after the 2023 Private Placement when fully vested

- **Number:** 7.0m options (equivalent to approx. 2.5% of the outstanding number of shares)
- **Vesting:** Options vest over five years (20% each year)
- **Expiry:** All options expire on December 31, 2028
- **Strike:** All options have a strike price of NOK 15 per share (approx. 3x current share price)
- **Lock-up:** Upon exercise of the options, there is a 3-year lock-up period before the shares may be traded
- **M&A:** In the event of a merger or acquisition of the Company, all options vest immediately

The further terms of the CEO Option Program include that Mr. Andreassen must remain with the Company, that the unvested share options will be cancelled if Mr. Andreassen terminates his employment with the Company as well as other restrictive covenants. Further, the Company may



terminate Mr. Andreassen's position with the Company upon violation of certain contractual obligations such as misconduct, financial misstatements, fraud, etc. Additional terms and conditions apply in accordance with local US practice.

This remuneration is not transferrable to other positions or people in the Group, but the option holder may request that shares issued upon exercise of options is issued to a company closely associated with the option holder.

3.2.6 Share option package for Karl Øystein Øyehaug, CFO of AS USA

Karl Øystein Øyehaug, as CFO of ASUS, is a key target of the long-term retention option program of Atlantic Sapphire. As a key employee of the Company, the long-term retention of Mr. Øyehaug is critical for the Group's performance and delivering shareholder value.

In order to maintain retention and appropriate incentives, it is proposed that a similar share option package as the CEO Option Program (the "**CFO Option Program**") should, subject to approval by the annual general meeting in 2023, be put in place for Mr. Øyehaug, where strike prices are set to levels that are considerably higher than the current share price of the Company. Further, the strike prices will increase for every new portion of the option plan that vest, with an average strike price for the package of NOK 14 per share (approx. 3x current share price) and ranging from NOK 10 to NOK 18 per share.

The main components of the CFO Option Program are further described below:

CFO Option program – 1% of the outstanding shares after the 2023 Private Placement when fully vested

- **Number:** 2.8m options (equivalent to approx. 1% of the outstanding number of shares when fully vested)
- **Vesting:** In five steps (20% each step) over four years
- **Expiry:** All options expire on December 31, 2028
- **Strike:**

Strike prices (NOK per share)

| May '23 | May '24 | May '25 | May '26 | May '27 |
|---------|---------|---------|---------|---------|
| 10.0 | 12.0 | 14.0 | 16.0 | 18.0 |

- **M&A:** In the event of a merger or acquisition of the Company, all options vest immediately

The further terms of the CFO Option Program include that Mr. Øyehaug must remain with the Company, that the share unvested options will be cancelled if Øyehaug terminates his employment with the Company as well as other restrictive covenants. Further, the Company may terminate Mr. Øyehaug's position with the Company upon violation of certain contractual obligations such as misconduct, financial misstatements, fraud, etc. Additional terms and conditions apply in accordance with local US practice.

This remuneration is not transferrable to other positions or people in the Group, but the option holder may request that shares issued upon exercise of options is issued to a company closely associated with the option holder.

3.3 Employment agreements

3.3.1 Terms and notice period

All Executive Management Team employment agreements contain a full time and attention, non-competition, non-solicitation clauses for one year after the termination of the agreement, and non-disparagement and confidentiality clauses.

Atlantic Sapphire may terminate the employment of an executive by giving 30 days' notice. Executives may terminate their employment by giving Atlantic Sapphire 30 days' notice.

3.3.2 Severance payments

The severance payment for reasons of without cause or for good reason will be of a period of one year from the date of termination.

4 BOARD DISCRETION TO DEVIATE FROM THIS POLICY

The Board may, from time to time, elect to temporarily deviate from this Policy. Such instances include, but are not limited to, the occurrence of any one of the following:

- change of the CEO;
- changes in the Group structure, organization, ownership and/ or business (for example in relation to mergers, takeovers, demergers, acquisitions etc.);
- material changes in the Company's strategy;
- changes in or amendments to relevant laws, rules or regulations (for example for regulatory, stock exchange control, tax or administrative purposes or to consider changes in legislation or corporate governance requirements or guidance);
- other exceptional circumstances where the deviation may be required to serve the long-term interests and sustainability of the Company as a whole or to assure its viability; and
- changes in normal market conditions.

Any deviation from this Policy shall be reported in the remuneration report for the relevant year. If a deviation has continued so that it cannot be deemed temporary, the Company shall prepare an amended policy to be presented at the next general meeting.

5 AMENDMENTS TO THE POLICY

In connection with the Annual General Meeting in 2022, this Policy was updated to reflect that share options may be granted as part of long-term incentives as well as certain other editorial changes.

In connection with the Annual General Meeting in 2023, this Policy was updated to reflect the CEO Option Program and the CFO Option Program, as well as certain minor changes to the long-term incentives for employees.