



REMUNERATION **REPORT**



WE CARE

Main developments in 2022

Financial summary 2022

The Group's vision is to be the leading and most profitable global supplier of sustainable, high-quality seafood by means of an efficient and sustainable value chain.

Recent years have been significantly impacted by restrictions related to the Covid-19 pandemic. As the restrictions were lifted in 2022, there was a significant increase in the demand for seafood from the HoReCa market (Hotels, restaurants and catering), while retailers were defending their increased markets shares. This dynamic gave a major increase in demand for seafood and the Group's products, while it also gave a lack in other areas such as goods, logistics and employees which contributed to a significant inflation also in costs.

The Group's revenue was up 15%, from NOK 23.0 billion in 2021 to NOK 26.6

billion in 2022. The Group's return on capital employed and operating profit/loss before fair value adjustment of biomass are important metrics for return and earnings. Return on capital employed before fair value adjustment increased from 12.4% in 2021 to 14.5% in 2022. The operating profit before fair value adjustment was up from NOK 2,519 million in 2021 to NOK 3,195 million in 2022.

The operating profit from the Group's whitefish operations before biomass adjustment increased from NOK 340 million in 2021 to NOK 347 million in 2022. This development despite lower quotas, but supported by strong price development and operational improvements.

The growth in sea in the Group's Farming segment was below expectations in the second half of 2022, leading to a reduction in the harvest volume of salmon and trout

from 187 thousand tonnes in 2021 to 171 thousand tonnes in 2022. There was a significant inflation in costs, increasing the cost per harvested kilo, but higher price realisation led to an operating profit before biomasse adjustment from NOK 1,768 million in 2021 to NOK 3,145 million in 2022.

2022 proved a very challenging year for the Group's VAPS&D segment. Higher prices led to an increase in revenue of 16% from NOK 22,0 billion in 2021 to NOK 25,5 billion in 2022. However, a significant price increase on input factors in production and logistics put pressure on profitability. The operating profit before biomasse adjustment fell from NOK 630 million in 2021 to NOK 156 million in 2022.

Development in remuneration of board members

At the Annual General Meeting in 2022, chairman Helge Singelstad abstained from participating in the election, and board member Arne Møgster was elected as chairman for a period of two years. Following the board is made up of six members, one of whom is the employee representative.

The Annual General Meeting in 2022 decided to increase the remuneration for the chairman from NOK 400,000 to NOK 500,000, and for board members from NOK 250,000 to NOK 300,000.

The Board of Directors has a subcommittee: the Audit Committee. Didrik Munch is the chair of the Audit Committee and Britt Kathrine Drivenes is a member. The volume of work for the Audit Committee has increased significantly in recent years, and the Annual General Meeting in 2022 made the decision to increase

remuneration of the Audit Committee's chairman to NOK 120,000 and to increase remuneration for the committee member to NOK 80,000. This compensation is in addition to the directors' remuneration.

Lerøy Seafood Group ASA has a Nomination Committee, with three members. The Annual General Meeting in 2022 made no changes in the remuneration of NOK 45,000 per member of the Nomination Committee.

Development in remuneration of Group management

The Group's management has expanded in recent years. Until 2019, the management comprised three members: CEO, COO Farming and CFO. This was then increased to five members, including the COO VAPS&D and CHRO.

There were no changes in the Group's management in 2022.

	2022	2021	2020	2019	2018
Revenue (NOKm)	26 646	23,073	19,960	20,427	19,838
Growth in revenue (%)	15 %	16 %	-2 %	3 %	7 %
EBITDA before fair value adj. of biomass (NOKm)	4 521	3,778	3,109	3,746	4,288
EBIT before fair value adj. of biomass (NOKm)	3 195	2,519	1,950	2,734	3,569
Pre-tax profit before fair value adj. of biomass (NOKm)	2 967	2,440	1,869	2,718	3,697
ROCE before fair value adjustment	14.5%	12.4%	10.5%	15.5%	22.3%
No. full-time equivalents	5092	4953	4293	4361	4589
Average salary based on full-time equivalents	583	544	566	542	472

Remuneration principles and framework

In May 2021, the Annual General Meeting adopted the Group's Guidelines for salaries and other remuneration of persons in senior positions. The Guidelines can be found on the Group's website at www.leroy.no and are described briefly below. The Guidelines steer remuneration of the Group's management and the Board of Directors. The main principle for executive pay at Lerøy is that the Group shall attract and retain talented managers without being wage leaders in the industry. The variable element of a salary shall not represent such a large share of the total salary as to may result in unfortunate incentives and short-termism at the cost of the Group's targets. Lerøy's values – open, honest, responsible and creative – shall lay the foundations for the Group's daily operations, and also for the perpetual, strategic business development required to achieve its vision of being the leading and most profitable global supplier of sustainable, high-quality seafood. Being a leading player in a global industry and safeguarding the Group's long-term interests are closely linked to the company's ability to recruit, develop and retain senior executives. Lerøy's people are the Group's most important resource. Lerøy shall be a recognised and attractive employer in the seafood industry, with the capacity to attract employees with the appropriate competencies. It is important that the

Group succeed in building a learning and dynamic organisation where employees are happy and develop, so that they work together to meet our customers' needs. Lerøy has established a remuneration scheme intended to stimulate the achievement of goals and at the same time promote good risk management and help prevent conflicts of interest. The Group's long-term interests and financial capacity shall be safeguarded.

Remuneration of members of the Board of Directors.

The remuneration of the board members is proposed by the Group's Nomination Committee and adopted by the Annual General Meeting in accordance with section 6-10 of the Public Limited Liability Companies Act. The Board members do not have a scheme for allocation of options to purchase shares in the Group.

Remuneration of executive personnel

The Remuneration of the Group CEO is determined annually by the Chairman of the Board according to a mandate issued by the board. Remuneration of the individual members of the Group management is determined by the CEO in consultation with the Chairman of the Board. The Board of Directors is subsequently informed of the decision. General schemes for payment of variable benefits, including bonus schemes, are established by the Board of Directors as part of its

budget work. The Group CEO allocates such incentive schemes and other benefits to the Group's senior executives within the boundaries established by the Board. The board does not have a remuneration committee.

Regarding the remuneration of senior executives, the company mainly focuses on fixed salary as an instrument, and uses variable remuneration other than bonuses to a limited degree. Executive pay shall be competitive, so that the company is able to attract and retain the most talented managers. The fixed remuneration of senior executives shall include:

Base salary:

The base salary is established based on the basis of the responsibilities, complexity, competencies and length of service for the position. The base salary is normally the main element of executive pay.

Bonus scheme:

In principle, bonuses are a form of profit sharing, where members of the management are remunerated for their contribution to the company's long-term earnings and development. The purpose of Lerøy's bonus scheme is to stimulate continuous development of Lerøy's value creation, growth and results, as defined in the company strategy.

Assessment of bonus payments is carried out every year based on a

comprehensive discretionary evaluation of five components: the executive's value creation, efforts, results, values, and attitudes and conduct, all in relation to the defined goals, tasks and available resources implied in the position.

At the end of the measurement period, a decision is made regarding the extent to which the criteria for a bonus payment have been met. This evaluation shall be based on an assessment of the criteria as described above and in the bonus schemes for senior executives.

Bonus payments to persons in senior positions may comprise up to one year's salary.

The company does not have any scheme for reclaiming variable remuneration. The Board of Directors has the right to make changes to or terminate the bonus scheme on a yearly basis.

Other remuneration

- Pension schemes: Lerøy Seafood Group ASA has a defined-contribution pension scheme according to the Act relating to mandatory occupational pensions. The base for premium payments is capped at maximum 12G (G is the national insurance base amount) per year. Senior executives in the Group are members of the company's collective pension

scheme up to the Group's in-house retirement age, which is 70, and do not have separate agreements that include early retirement or supplementary pensions. The company may, however, enter into such agreements in the future.

- Severance pay: In principle, the company does not make use of severance pay apart from salary during the period of notice for the number of months stipulated in the provisions of the Working Environment Act. Severance pay may, however, be a good alternative in some situations for all parties involved. Severance pay can therefore be utilised in extraordinary circumstances, albeit capped at two annual salaries.
- Other special remuneration: Senior executives may receive other special remuneration that is normal for comparable positions, such as free telephone, PC at home, free broadband, newspapers, company car/car scheme and parking.
- Options and other types of remuneration linked to shares or developments in the share price: The company does not currently give persons in senior positions options or other types of remuneration linked to shares in the company or developments in the share price.

- Share purchase programmes: Lerøy is entitled to assess a share-savings programme for all employees, where employees have the right to subscribe to a limited number of shares at a discounted price.

In extraordinary circumstances when significant events require senior executives to make extraordinary efforts, the board may decide to deviate from these guidelines. The Board is not entitled to deviate from the guidelines in relation to remuneration of Board members. If necessary, such deviations shall be proposed and presented to the Annual General Meeting for a general vote. There were no such deviations in 2022.

Earned and received remuneration of Group management

Earned remuneration of Group management

Please refer to the previous comments on the different elements included in the salaries paid to Group management. There will be deviations between when the remuneration is earned and when it is disbursed. The following table shows when the remuneration was earned.

In light of Norway's holiday pay scheme, fixed salary is paid as 11/12 of the agreed salary. With the exception of the CEO, bonuses are included in the holiday pay base amount.

The bonuses for 2022 are also specified in the table. These figures show the provision for bonuses in the Group's financial statements for 2022. Final bonus payments may vary from these figures.

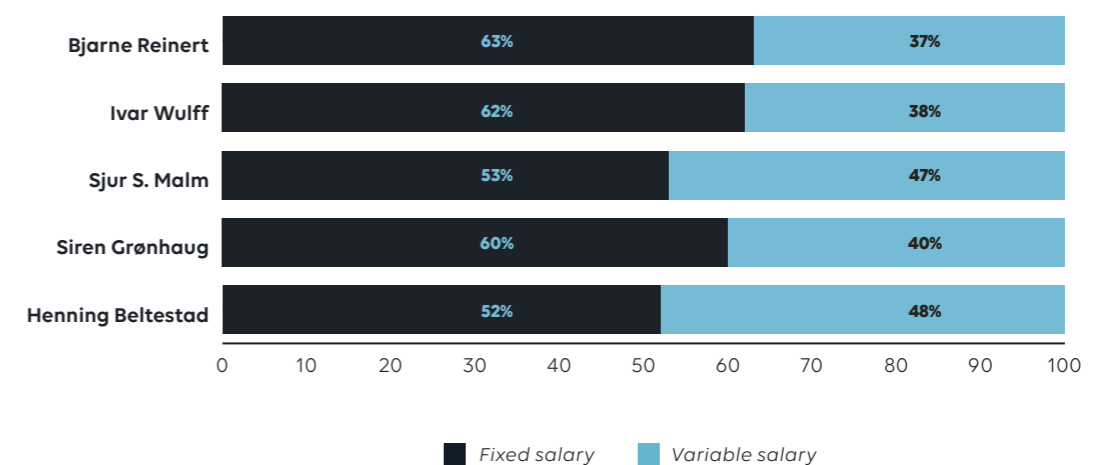
Remuneration element to management in 2021

Payment element	Purpose	Level	Disbursement criteria	Period
Fixed salary / Base salary	Attract, retain and develop talented managers	Attractive, but not wage leaders in the industry	None, but fixed salary will normally be adjusted annually	Annual, but paid as 11/12 of the amount, as the last month is paid as holiday pay
Bonus	Harmonising the Group's interests with those of senior executives for perpetual, strategic business development required so that Lerøy can achieve its vision	Up to one year's salary	Evaluation of the executive's value creation, efforts, results, values, and attitudes and conduct, all in relation to the defined goals, tasks and available resources implied in the position	Annual
Holiday pay	Part of the pay system in Norway.	Holiday pay normally amounts to 12% of the holiday pay base amount. The holiday pay base amount includes fixed salary and bonuses, unless otherwise agreed.	The holiday pay base amount accrues over one year, and payment is made in the holiday month the following year.	The annual payment is in June, as the employee does not receive salary in July. (Fixed salary is paid in 11 of the 12 months of the year)
Pension	The Group focuses on a long-term perspective, and it must be attractive to remain an employee with the Group throughout the employee's career.	Defined-contribution pension scheme whereby the Group pays contributions to the employee's personal pension account. The Group pays pension contributions up to 12G (G is the national insurance base amount in Norway; 1G in 2022 is NOK 111,477).	Fixed salary and bonus, but the Group does not pay contributions for compensation exceeding 12G. A 2% deduction is made from the employee's fixed salary up to 12G.	
Other benefits	Compensation for minor expenses related to work. Typically Internet connection, mobile telephone and newspapers	Based on actual documented expenses		

Name and position	2022	2021	2020	2019	2018
Henning Beltestad (CEO)					
Fixed salary	3 500 000	3 208 333	3 000 000	3 000 000	3 000 000
Deduction from salary for holiday	-331 439	-284 091	-284 091	-284 091	-284 091
Bonus incl. holiday pay	3 400 000	3 400 000	3 300 000	3 300 000	3 300 000
Holiday pay	380 100	350 909	325 909	325 909	325 909
Pension expense	159 191	151 239	149 501	144 285	139 070
Other benefits	8 964	11 000	11 000	11 000	16 000
Total earned this year	7 116 815	6 837 390	6 502 319	6 497 104	6 496 888
Siren Grønhaug (COHR)					
Fixed salary	1 787 771	1 698 834	1 627 200	1 466 667	
Deduction from salary for holiday	-165 720	-154 091	-151 515	-133 333	
Bonus	1 200 000	1 120 000	1 000 000	1 000 000	
Holiday pay	324 472	305 369	295 994	160 000	
Pension expense	160 537	151 239	150 501	117 285	
Other benefits	8 964	30 000	22 000	10 000	
Total earned this year	3 316 024	3 151 351	2 944 179	2 620 619	

Name and position	2022	2021	2020	2019	2018
Sjur S. Malm (CFO)					
Fixed salary	2 517 999	2 437 800	2 400 000	2 341 667	2 300 000
Deduction from salary for holiday	-233 409	-227 273	-227 273	-217 803	-217 803
Bonus	2 200 000	2 053 571	1 785 714	1 964 285	1 785 714
Holiday pay	512 375	479 549	496 442	471 149	464 150
Pension expense	159 223	152 239	153 501	147 285	141 070
Other benefits	8 964	21 000	10 000	10 000	12 000
Total earned this year	5 165 151	4 916 886	4 618 384	4 733 462	4 485 131
Ivar Wulff (COO VAPS&D)					
Fixed salary	1 992 088	1 900 250	1 830 600	1 650 000	
Deduction from salary for holiday	-184 659	-173 352	-170 455	-150 000	
Bonus	1 200 000	1 120 000	1 000 000	1 000 000	
Holiday pay	346 661	327 228	317 993	180 000	
Pension expense	158 883	149 239	147 501	114 285	
Other benefits	8 964	30 000	24 000	14 000	
Total earned this year	3 521 886	3 353 365	3 149 639	2 808 285	
Bjarne Reinert (COO Farming)					
Fixed salary	2 043 166	2 000 000			
Deduction from salary for holiday	-189 394	-189 394			
Bonus	1 200 000	1 120 000			
Holiday pay	352 208	242 317			
Pension expense	158 997	150 239			
Other benefits	8 964	11 000			
Total earned this year	3 573 941	3 334 162			

Name and position	2022	2021	2020	2019	2018
Stig Nilsen (COO Farming)					
Fixed salary			2 400 000	2 400 000	2 400 000
Deduction from salary for holiday			-319 580	-181 119	-273 427
Bonus			1 517 857	1 517 857	1 700 000
Holiday pay			534 353	534 353	304 100
Pension expense			146 501	142 285	137 070
Other benefits			136 000	135 000	110 000
Total earned this year			4 415 130	4 548 376	4 377 744
Webjørn Barstad (COO Wildcatch)					
Fixed salary			2 300 000	2 300 000	2 200 000
Deduction from salary for holiday			-217 803	-217 803	-208 333
Bonus				2 000 000	1 500 000
Holiday pay			466 863	425 863	371 000
Pension expense			107 000	97 000	97 000
Other benefits			11 000	12 000	20 000
Total earned this year			2 667 060	4 617 060	3 979 667



Auditor's statement on the remuneration report



To the General Meeting of Lerøy Seafood Group 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 Lerøy Seafood Group ASA 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.

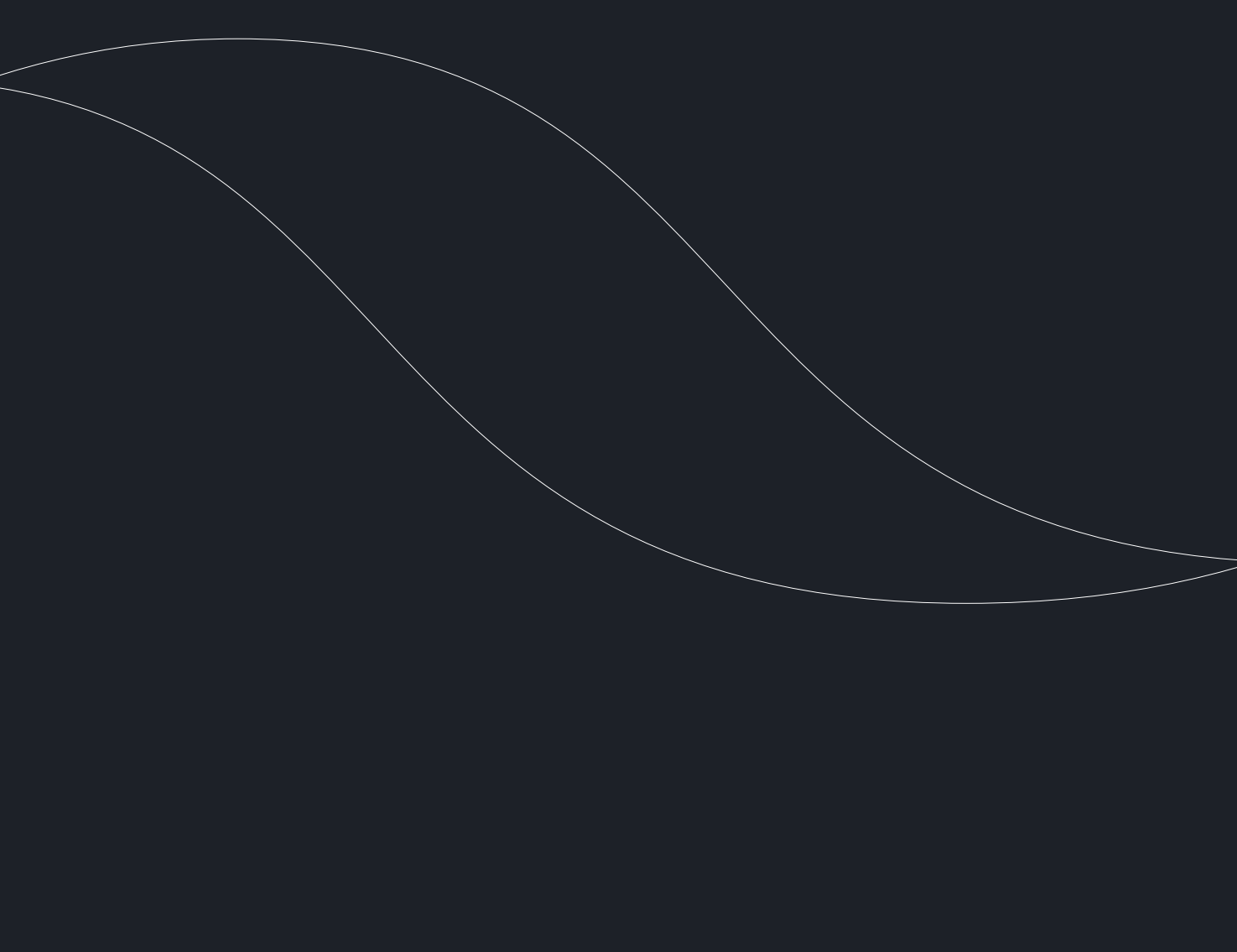
Bergen, 03 May 2023

PricewaterhouseCoopers AS

A handwritten signature in blue ink, appearing to read 'Hallvard Aarø'.

Hallvard Aarø
State Authorised Public Accountant

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