



**GRAM CAR  
CARRIERS**

# **Remuneration Report**



**2022**

Under Section 6-16 b of the Public Limited Liability Companies Act, Gram Car Carriers ASA (the "Company" or together with its subsidiaries "GCC" or the "Group") is required to present an annual report that provides an overview of the remuneration to the Board of Directors and senior executives covered by the guidelines defined in Section 6-16 a. This report meets the requirements set out in the Regulations on guidelines for and reporting of remuneration of executive personnel, and it also meets the requirements of notes to the annual accounts in Section 7-31b and 7-32 of the Norwegian Accounting Act.

The remuneration of the Board of Directors and senior executives is based on the Remuneration guidelines for senior executives and Board of Directors adopted by the extraordinary general meeting on 26 August 2022 and available at [www.gramcar.com](http://www.gramcar.com).

The guidelines are developed to ensure that the remuneration of senior executives comply with relevant regulatory requirements, is aligned with GCC's values and performance-based remuneration philosophy, and is clear to the Group's various stakeholders.

## Remuneration of the Board of Directors

The general meeting determines each year the remuneration of the Board of Directors based on the nomination committee's proposal. The remuneration shall reflect the Board's responsibilities, expertise, and use of time and the complexity of the business. Remuneration is not dependent on results and no share options are issued to Board members. Remuneration of the Board of Directors consists of Directors' fees and Board committee fees.

Below is a specification of Directors' fees paid during 2022 and 2021:

In USD thousands		Date of appointment	2022 <sup>1</sup>	2021
Ivar Hansson Myklebust	Chair of the Board	3 August 2021	67	-
Nikolaus H. Schües	Vice chair	17 January 2022	15	-
Alasdair James Dougall Locke	Board member	12 October 2021	22	-
Christine Rødsæther	Board member	12 October 2021	43	-
Nils Kristoffer Gram	Board member	3 August 2021	23	-
Dr. Gaby Bornheim	Board member	17 January 2022	13	-
Clivia Catharina Breuel	Board member	17 January 2022	13	-
<b>Total</b>			<b>186</b>	<b>-</b>

Below is a specification of Board committee fees paid during 2022 and 2021:

In USD thousands		2022 <sup>1</sup>	2021
Nils Kristoffer Gram	Chair of the Audit Committee	2	-
Ivar Hansson Myklebust	Audit Committee member	1	-
Nikolaus H. Schües	Audit Committee member	1	-
Christine Rødsæther	Chair of the Remuneration Committee	2	-
Alasdair James Dougall Locke	Remuneration Committee member	1	-
Dr. Gaby Bornheim	Remuneration Committee member	1	-
Clivia Catharina Breuel	Remuneration Committee member	1	-
Erik Lind	Chair of the Nomination Committee	2	-
Kristian Falnes	Nomination Committee member	2	-
Hannes Thiede	Nomination Committee member	1	-
<b>Total</b>		<b>15</b>	<b>-</b>

No remuneration was paid to the directors of the Company during 2021.

As at 31 December 2022, Board Members held shares in the Company as follows:

Name	Position	Held through	No of shares	% of total
Ivar Hansson Myklebust	Chair of the Board	H & M Hinderaker & Myklebust AS	33,000	0.11%
Nikolaus H. Schües	Vice Chair	F. Laeisz GmbH	7,945,229	27.13%
Alasdair James Dougall Locke	Board member	Glenrinnes Farms Limited	1,938,782	6.62%
Christine Rødsæther	Board member		18,745	0.06%
Nils Kristoffer Gram	Board member		2,800	0.01%
Clivia Catharina Breuel	Board Member	AL Maritime Holding Pte. Ltd.I	2,686,706	9.17%
<b>Total</b>			<b>12,625,262</b>	<b>43.10%</b>

<sup>1</sup> Includes remuneration for the period up to the annual general meeting 12 May 2022 (paid in 2022).

## Remuneration of the executive management team

Remuneration to the executive management team consists of the following:

- Fixed salary
- Pension and insurance
- Benefits in kind
- Severance (only applicable for CEO)
- Annual variable pay (short-term incentive)
- Long-term incentive

### Fixed salary

GCC offers competitive, but not market leading base salaries aligned with the markets in which GCC operates. The base salaries should reflect the responsibilities, complexities, exposure, and performance related to the individual positions.

The base salary is assessed annually based on the individual's performance. The assessment includes financial and non-financial elements. It is also based on the general development of salaries in the local market in which the individual operates.

### Pension and insurance

GCC offers general occupational pension and insurance schemes aligned with local markets. In addition, the Company offers a health insurance, disability and dependents' benefits in accordance with the Company's general pension plan.

### Benefits in kind

GCC offers customary benefits in kind, including electronic communication, and car parking.

### Severance

The Company's CEO has waived his employment protection in lieu of severance pay equal to 18 months' base salary. The severance payment is also considered full compensation for invoking the non-compete obligation in the CEO's employment contract. Other than this and as of the date of this report, no members of the executive management team or the Board of Directors are entitled to any additional remuneration following the termination of their employment/service.

### Annual variable pay (short-term incentive)

To encourage a strong performance culture, GCC offers an annual variable pay rewarding individuals for annual achievements. The targets are linked to the financial and non-financial performance, including both business achievements and how the achievements have been made.

Below is a specification of remuneration to executive management paid during 2022.

In USD thousands		Fixed salary <sup>1</sup>	Variable bonus <sup>2</sup>	Pension <sup>3</sup>	Other benefits <sup>4</sup>	Total
Georg A. Whist	Chief Executive Officer	376	1,388	11	2,015	3,790
Børre I. Mathisen	Chief Operating Officer	158	427	10	2	597
Gunnar S. Koløen	Chief Financial Officer	294	327	17	6	644
Harald Mathias Gram	Head of Projects and IR	141	403	11	2	557
<b>Total</b>		<b>969</b>	<b>2,545</b>	<b>49</b>	<b>2,025</b>	<b>5,588</b>

<sup>1</sup> Fixed salary includes holiday allowance paid as salary in accordance with Norwegian law.

<sup>2</sup> Variable bonus comprises of payments under cash bonus plans.

<sup>3</sup> Pensions consist of compulsory contributions under defined contribution plan as per requirements of the Mandatory Occupational Pension act in Norway ("Lov om obligatorisk tjenestepensjon") and the Central Provident Fund Act in Singapore.

<sup>4</sup> Other benefits include parking, insurances and other customary benefits. During 2022 the Chief Executive Officer received a one-off payment of NOK 20 million as compensation for renegotiating his employment contract and terms related to a variable component linked to financial performance of the Group. The terms of the payment includes claw back provisions, and in the event that the Chief Executive Officer resigns from his position he is obliged to repay part of the compensation.

Below is a specification of remuneration to executive management paid during 2021. .

In USD thousands		Fixed salary <sup>1</sup>	Variable bonus <sup>2</sup>	Pension <sup>3</sup>	Other benefits <sup>4</sup>	Total
Georg A. Whist	Chief Executive Officer	420	237	11	2	670
Børre I. Mathisen	Chief Operating Officer	177	29	11	2	219
Gunnar S. Koløen	Chief Financial Officer	298	-	13	6	317
Harald Mathias Gram	Head of Projects and IR	144	21	11	2	178
<b>Total</b>		<b>1,039</b>	<b>287</b>	<b>46</b>	<b>12</b>	<b>1,384</b>

### Long-term incentive

GCC has two long-term incentive programmes involving share-based compensation.

#### Long-term incentive program

During 2022 a long-term incentive program was introduced for all employees of the Group. The purpose of the incentive program is to increase the employees' ownership in the Company, align employees' interests with the interests of the Company's shareholders, and to reinforce their identification with the Company and the development of long-term values. Four senior executives have committed to participate in the program, all of which have committed to lock-up a total of 85,256 shares for the duration of the program. The award date of the program was 10 July 2022 and the vesting period for the program is from the award date until 30 May 2025.

Pursuant to the program, the participants will upon completion of the vesting period receive three shares per committed share, each contingent on the following criteria:

1. In order to participate in the program, and to receive the first matching share, is that the participants comply with the lock-up of their respective shares and continue to be employed by the Group during the vesting period.
2. The second matching share depends on the annual shareholder return and/or share performance during the vesting period, based on the development of the share price in the same period. The assessment of the development shall take into account any dividends paid during the period. Between 8% and 12% shares are earned on a linear scale, where 8% is zero and 12% is one share.
3. The third matching share is linked to the Group's ESG rating in the annual ESG survey conducted by Position Green Advisory AS, and depends on the rating of the Company as at the last day of the vesting period. The minimum requirement for any third matching share is a rating of C, and a rating of B qualifies for one full share.

Up to 255,768 new shares in aggregate may be issued to the four senior executives as part of the program.

#### Share option incentive plan

During 2022 the Group also introduced a share option incentive plan for senior executives. The program has a vesting period from 26 August 2022 (the grant date) until 12 May 2025, with one third of the options vesting each year. The strike price for the options has initially been set to NOK 94.6154, based on the 5-trading day volume weighted average price (VWAP) as of the annual general meeting of the Company held on 12 May 2022. The strike price will be subject to an annual increase of 10% on a non-accumulating basis up to the exercise date, adjusted for any dividends paid by the Company in the period. Subject to options having vested, the option holder may exercise the options each year during pre-set exercise periods. Exercised options will primarily be settled in shares, but may be settled in cash at the discretion of the Board of Directors. The options expire 12 May 2027, two years after the last vesting date.

As of 31 December 2023, a total of 800,000 share options have been issued under the program. Each option, when exercised, carries the right to acquire one share in the Company.

<sup>1</sup> Fixed salary includes holiday allowance paid as salary in accordance with Norwegian law.

<sup>2</sup> Variable bonus comprises of payments under cash bonus plans.

<sup>3</sup> Pensions consist of compulsory contributions under defined contribution plan as per requirements of the Mandatory Occupational Pension act in Norway ("Lov om obligatorisk tjenestepensjon") and the Central Provident Fund Act in Singapore.

<sup>4</sup> Other benefits include parking, insurances and other customary benefits.

Below is a specification of long-term incentive programmes for the executive management:

In USD thousands	Long-term incentive programme	Strike <sup>3</sup>	Grant date	Vesting date	No. of shares	Fair value at grant date <sup>4</sup>	No. exercised
Georg A. Whist Chief Executive Officer	Share option incentive plan <sup>1</sup>	94.62	26 Aug 2022	12 May 2023	133,333	438	-
		+10% p.a.	26 Aug 2022	12 May 2024	133,333	438	-
		+10% p.a.	26 Aug 2022	12 May 2025	133,333	438	-
	Long-term incentive program <sup>2</sup>	nil	10 Jul 2022	30 May 2025	166,464	648	-
		94.62	26 Aug 2022	12 May 2023	53,333	175	-
		+10% p.a.	26 Aug 2022	12 May 2024	53,333	175	-
Børre I. Mathisen Chief Operating Officer	Share option incentive plan <sup>1</sup>	+10% p.a.	26 Aug 2022	12 May 2025	53,333	175	-
		nil	10 Jul 2022	30 May 2025	22,194	86	-
		94.62	26 Aug 2022	12 May 2023	40,000	131	-
	Long-term incentive program <sup>2</sup>	+10% p.a.	26 Aug 2022	12 May 2024	40,000	131	-
Gunnar S. Koløen Chief Financial Officer		+10% p.a.	26 Aug 2022	12 May 2025	40,000	131	-
Share option incentive plan <sup>1</sup>	nil	10 Jul 2022	30 May 2025	44,913	175	-	
	94.62	26 Aug 2022	12 May 2023	40,000	131	-	
	+10% p.a.	26 Aug 2022	12 May 2024	40,000	131	-	
Harald Mathias Gram Head of Projects and IR	Share option incentive plan <sup>1</sup>	+10% p.a.	26 Aug 2022	12 May 2025	40,000	131	-
		nil	10 Jul 2022	30 May 2025	22,197	86	-

In 2020, a share option scheme was implemented for the Chief Executive Officer. The options under the scheme were deemed fully vested in January 2022, in connection with the acquisition of all activities of Gram Car Carriers Holdings Pte. Ltd. and its subsidiaries ('Old Group') and conversion of redeemable convertible loans to equity (ref note 4 in the 2022 consolidated financial statements). All options were exercised at USD 0.00001 per share, and 7,412,875 ordinary shares were issued by Gram Car Carriers Holdings Pte. Ltd, the ultimate parent company of the Old Group. At exercise the fair value of the options was USD 448,000.

During 2019 the Chief Executive Officer and Chief Operating Officer were awarded restricted redeemable convertible loan units with nominal value of USD 141,000 and USD 20,000, respectively. These restricted redeemable convertible loan units were deemed fully vested in January 2022, in connection with the acquisition of all activities of Old Group and conversion of redeemable convertible loans to equity (ref note 4 in the 2022 consolidated financial statements). The redeemable convertible loan units were then transferred to the Chief Executive Officer and Chief Operating Officer and converted into ordinary shares in Gram Car Carriers Holdings Pte. Ltd. The fair value of the restricted redeemable convertible loan units at vesting was USD 163,000 and USD 23,000 for the Chief Executive Officer and Chief Operating Officer, respectively.

<sup>1</sup> Share option incentive plan for executive management.

<sup>2</sup> Long-term incentive program for all employees.

<sup>3</sup> The strike price for the share options has initially been set to NOK 94.6154, based on the 5-trading day volume weighted average price (VWAP) as of the annual general meeting of the Company held on 12 May 2022. The strike price will be subject to an annual increase of 10% on a non-accumulating basis up to the exercise date, adjusted for any dividends paid by the Company in the period.

<sup>4</sup> Valuation is based on Black and Scholes share option valuation model. All share options have expiry 12 May 2027.

As at 31 December 2022, executive management held shares in the Company as follows:

Name	Position	Held through	No of shares	% of total
Georg A. Whist	Chief Executive Officer	Currus Navi AS	238,009	0.81%
Børre Mathisen	Chief Operating Officer		30,035	0.10%
Gunnar Koløen	Chief Financial Officer		18,745	0.06%
Harald Mathias Gram	Head of Projects and IR	HM Gram Investments III Limited/ HM Gram Enterprises Limited/ HMG AS	1,790,496	6.11%
<b>Total</b>			<b>2,077,285</b>	<b>7.09%</b>

## Changes in remuneration of the executive management team

Below is an overview of the total remuneration of the executive management team for the period 2018 to 2022:

In USD thousands	2018 <sup>1</sup>	2019 <sup>2</sup>	2020	2021 <sup>3</sup>	2022
Georg A. Whist	Chief Executive Officer	36	1,132	520	670
Børre I. Mathisen	Chief Operating Officer	191	257	185	219
Gunnar S. Koløen	Chief Financial Officer	-	-	-	317
Harald Mathias Gram	Head of Projects and IR	147	139	141	178

2022 was a transformational year for the Group with strong improvement in financial performance and a successful recapitalisation, listing on Euronext Growth and subsequent transfer to the Oslo Børs' main market and this is also reflected in the total remuneration of the executive management team.

<sup>1</sup> Georg A. Whist joined the Group as Chief Executive Officer on 1 December 2018.

<sup>2</sup> During 2019 the Chief Executive Officer and Chief Operating Officer received compensation amounting to USD 751,000 and USD 75,000, respectively, in connection with the termination of option agreements entered into during 2018.

<sup>3</sup> Gunnar S. Koløen joined the Group as Chief Financial Officer 1 January 2021.

## Changes in financial performance of the Group

Below is an overview of the key figures of the Group for the period 2018 to 2022 together with change from the previous period:

In USD thousands	2018 <sup>1</sup>	2019 <sup>1</sup>	2020 <sup>1</sup>	2021 <sup>1</sup>	2022 <sup>1</sup>
Revenue	72,214	69,862 (4%)	45,830 (34%)	78,029 69%	120,976 55%
Operating profit before depreciation (EBITDA)	26,584	24,327 (18%)	8,441 (65%)	35,388 319%	70,596 99%
Profit/ (loss)		(49,586) (18%)	(53,009) (7%)	(7,472) 86%	23,877 419%

## Changes in overall Group remuneration

Below is an overview of the average base salary for all the Group's employees excluding the executive management team for the period 2018 to 2022 together with change from the previous period:

In USD thousands	2018 <sup>1</sup>	2019	2020	2021	2022
Average base salary	94	89	86	94	91
Change in average base salary		(5%)	(4%)	10%	(3%)
Change in average base salary (in local currency)		2%	2%	3%	5%

<sup>1</sup> Figures for the financial year 2018 to 2021 are Old Group figures and figures for 2022 represents figures for Old Group and the Company and its subsidiaries, reference is made to note 4 of the 2022 consolidated financial statements.

<sup>2</sup> Base salaries are denominated in NOK and SGD for employees in Norway and Singapore, respectively.

## Statement by the Board

The Board of Directors have reviewed and approved the Remuneration Report of Gram Car Carriers ASA and its subsidiaries for the period 1 January – 31 December 2022 and the comparative period 1 January – 31 December 2021.

The Remuneration Report has been prepared in accordance with section 7-31b and 7-32 of the Norwegian Accounting Act.

In our opinion, the Remuneration Report has been prepared in accordance with the Remuneration Guidelines adopted at the extraordinary general meeting on 26 August 2022, and is free from material misstatements and omissions, whether due to fraud or error.

The Remuneration Report will be presented for a vote at the Annual General Meeting 12 May 2023.

Oslo, 20 April 2023  
Board of Directors, Gram Car Carriers ASA

Ivar Hansson Myklebust  
*Chair*

Christine Rødsæther

Nikolaus H. Schües  
*Vice Chair*

Nils Kristoffer Gram

Alasdair James Dougal Locke  
Nicolaus Bunnemann

Clivia Catharina Breuel

## Auditor's report



BDO AS  
Lerstadvegen 517  
6018 Ålesund

To the General Meeting of Gram Car Carriers 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 Gram Car Carriers 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 control

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. Our firm applies International Standard on Quality Management 1 (ISQM 1) and International

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Standard on Engagement Quality Reviews (ISQM 2) and accordingly maintains 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.

Ålesund, 20. April 2023  
BDO AS

John Arne Fiskerstrand  
State Authorised Public Accountant  
(This document is signed electronically)

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**John Arne Fiskerstrand**  
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