

REPORT ON SALARIES AND OTHER REMUNERATION TO LEADING PERSONNEL IN HUNTER GROUP ASA 2021

Introduction

This report on salaries and other remuneration to leading personnel (the "**Report**") of Hunter Group ASA (the "**Company**") is based on the guidelines for the determination of salaries and other remuneration of leading personnel in the Company which were approved by the Company's general meeting on 3 June 2021 ("**Guidelines**").

The report is based on the requirements set out in the Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the "**Companies Act**") section 6-16 a and 6-16 b, as well as the Regulation on guidelines and report on remuneration for leading personnel of 11 December 2021 No. 2730 (the "**Regulation**"). The Report is formulated in line with the European Commission's template for remuneration reports.

Information required by the Norwegian Act relating to Annual Accounts of 17 July 1998 no. 56 ("**Accounting Act**") section 7-31 b is included in the Company's annual report for 2021 on page 44 – 47.

Remuneration to board members is not covered by this Report. Any remuneration to board members is determined by the general meeting in accordance with the Companies Act section § 6-10 and is available on page 45 in the annual report for 2021.

Key figures for the financial year 2021

The company in 2021

For a brief description of the Company's performance in the financial year 2021, reference is made to page 3 of the Company's annual report for 2021 which includes key financial numbers and events.

The guidelines for remuneration that the Company adopted in 2021

The remuneration payable to the senior executives is important for the Company's ability to retain and attract qualified and competent senior executives. The Guidelines shall allow shareholders to influence the principles for determination of salary and other remuneration to the senior executives, in order to create a remuneration culture that promotes the Company's long-term interests, business strategy and financial sustainability.

The fixed remuneration for senior executives consists of a number of elements. The fixed salary constitutes the main element of the total consideration for senior executives. The salary is determined by taking into account the individual's experience, responsibilities and results achieved in the previous year. In addition, senior executives are offered benefits in kind in the form of cost coverage for reasonable and documented business expenses related to the performance of required functions, including for news subscriptions, mobile phones etc. Furthermore, senior executives participate in the Company's insurance schemes and defined contribution pension schemes in accordance with mandatory law.

Senior executives may also receive variable remuneration. Performance-based bonus is based on both the Company's and the senior executives' individual performance. The targets to be reached by the chief executive officer are to be determined by the Company's board, and the chief executive officer will set relevant targets for the other members of the management, based on principles defined by the Company's board.

Moreover, the Company has a long-term incentive program ("**LTI**") under which the board may decide to grant options to certain eligible persons. The board determines the conditions for exercising the options(s) in the individual allotment. Allocation takes place by the board preparing a written document that states the number of options granted and the conditions the board wishes to apply to the relevant allocation. The options are regulated by the Company's general option rules, established and updated by the board. Following the implementation of the LTI, senior executives have been granted options under the program.

The company's performance in 2021

The tanker marked experienced historically challenging conditions throughout 2021, driven by surplus ship capacity and reduced oil demand as a result of the covid-19 pandemic. Uncertainty relating to the reopening of the world economy and repeated virus mutations thus made it particularly challenging to predict market movements. Hence, for most of the year, the Company focused on reducing costs and risk by entering into medium-term time charter parties to ensure stable earnings, which led to the Company delivering a positive annual result despite challenging market conditions.

Remuneration to leading personnel

Table 1 below shows the total remuneration which the Company's senior executives have been paid or benefited from by the Company in 2021 and 2020.

Table 1									
Name of Director (start/end)	Financial year	Fixed remuneration		Variable remuneration		Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration
		Base salary	Other benefits	One-year variable	Multi-year variable				
Erik Frydendal (CEO)	2021	USD 209,528	USD 467	-	-	-	USD 7,635	USD 217,630	-
	2020	USD 188,449	USD 491	-	-	-	USD 6,730	USD 195,670	-
Lars M. Brynildsrud (CFO)	2021	USD 135,405	USD 467	-	-	-	USD 7,765	USD 143,637	-
	2020	USD 108,710	USD 491	-	-	-	USD 7,261	USD 116,462	-

Option-based remuneration to leading personnel in the Company

Table 2 below shows the number of options, warrants and other forms of remuneration related to shares or developments in the Company or other companies within the same group of companies that have been granted or offered, as well as the most important conditions for exercising the options, including subscription price, subscription deadline and any changes of these.

Table 2				
Name and position	The main conditions of share option plans	Information regarding the reported financial year		
		Opening balance	During the year	Closing balance

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Specifica tion of plan	Perform ance period	Awar d date	Vesti ng date	End of holdi ng perio d	Exerci se perio d	Exerc ise price of the share and date	Share option s held at the beginn ing of the year	Share option s award ed	Shar e optio ns veste d	Share options subject t to perform ance conditio n	Share option s award ed and unvest ed	Shar e optio ns subj ect to a holdi ng perio d
Erik Fryden dal (CEO)	LTI	12.05.21 -12- 05.22	12.05 .21	12.05 .22	12.05 .22	12.05. 22- 12.05. 26	NOK 3.00 per share	2,000, 000	1,000, 000			1,000, 000	
Lars M. Brynilds rud (CFO)	LTI	12.05.21 -12- 05.22	12.05 .21	12.05 .22	12.05 .22	12.05. 22- 12.05. 26	NOK 3.00 per share	750,00 0	500,00 0			500,00 0	
Sujoy K. Seal (COO)	LTI	12.05.21 -12- 05.22	12.05 .21	12.05 .22	12.05 .22	12.05. 22- 12.05. 26	NOK 3.00 per share	1,000, 000	500,00 0			500,00 0	
								TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
								3,750, 000	2,000, 000	TOTAL		2,000, 000	TOTAL

Share-based remuneration to leading personnel in the Company

The Company has no share-based remuneration for senior executives of the Company. Thus, no table has been included showing the number of shares in the Company, or other companies within the same group, that have been offered or altered.

The company's use of access to recover variable remuneration

The Company cannot demand repayment of variable remuneration unless obvious miscalculations or non-entitled payments have been made.

Total remuneration paid compared to the Guidelines

A prerequisite for a successful implementation of the Company's business strategy and securing the Company's long-term interests, including sustainability, is that the Company is able to recruit and retain qualified personnel. To achieve this, it is necessary for the Company to offer competitive remuneration.

The Company's remuneration guidelines enable the Company to offer leading personnel a competitive total remuneration. Total remuneration to leading personnel during 2021 has complied with the Company's Guidelines. The main principle is for the Guidelines to ensure that the Company can retain and recruit qualified and competent senior executives, so that the group's business strategy and, as such, long term interests and sustainability can be achieved. The board believes that the

remuneration paid and outlined in this Report has ensured that the Company is able to retain key personnel and therefore contributed to the Company's long-term results and strategies.

Performance-based remuneration

Senior executives of the Company may be offered a performance-based bonus in addition to the fixed remuneration. The assessment criteria for the performance-based bonus are based on both the Company's and the senior executives' individual performance, including a comparison of earnings and costs. In this respect, the board and the chief executive officer have made both quantitative and qualitative assessments, which have led to the application of judgment to ensure that the result is appropriate and proportionate. The board and the chief executive officer believe that it is necessary to exercise discretion in order to achieve an appropriate implementation of the remuneration policy. In terms of quantitative assessments of performance, internal financial calculations (such as income, EBITDA and earnings per share), this is measured against the Company's budget. Targets related to external measures (such as relative total shareholder return) were measured against market standards. In order to reach the assessed level of performance, the board and the chief executive officer have taken into account the Company's positive result for 2021.

Derogations and deviations from the remuneration guidelines and from the procedure for implementation of the guidelines

The Company has not made any exception from the decision-making process when establishing the Guidelines or deviated from the Guidelines due to special circumstances as mentioned in section 4 (4) of the Regulation.

Information on changes in remuneration and the Company's performance

Table 5 below shows the change in remuneration paid to leading personnel over the past five financial years.

Table 5						
Annual change	RFY-4 vs. RFY-5	RFY-3 vs. RFY-4	RFY-2 vs. RFY-3	RFY-1 vs. RFY-2	RFY vs. RFY-1	Information regarding RFY
Directors remuneration						
Erik Frydendal, CEO	-	-	75%	8%	13%	
Lars Brynildsrud, CFO	-	-	-	3%	25%	
Company's performance						
Criterion/metric A						
Criterion/metric B						
Criterion/metric C						
Average remuneration on a full-time equivalent basis of employees	-13%	82%	55%	0%	20%	
Employees of the Company	680%	-92%	0%	33%	0%	

(all or reference to the relevant comparison group)						
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INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT

To the General Meeting of Hunter Group ASA

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Hunter Group ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2021 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 in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of 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 Control 1 (ISQC 1) 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.



Oslo, 20 April 2022
ERNST & YOUNG AS

The auditor's assurance report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant (Norway)