



Report on salary and other remuneration
to leading personnel in Odfjell SE for the financial year 2023

1 Introduction

1.1 Background

This report on salary and other remuneration to leading personnel in Odfjell SE (the "Company" or together with its subsidiaries, the "Group") is based on the guidelines concerning stipulation of pay and other remuneration of executive personnel in the Group approved by the Company's general meeting on May 3, 2023 (the "Guidelines").

The report is based on the requirements set out in the Norwegian Public Limited Liability Companies Act (the "Companies Act"), cf. Section 6-16 b, supplemented by Regulation on guidelines and report on remuneration for leading personnel dated 11 December 2020 (the "Regulation"). The report is prepared in accordance with the European Commission's template for reports on remuneration.¹

1.2 General Overview of the Financial Year 2023

1.2.1 Highlights Summary

The net result in 2023 ended with a solid result of USD 203 million for the Group. The total earned/payable short-term and long-term incentive schemes to leading personnel in 2023, as noted below, reflects the strong Company performance in 2023. Key elements regarding remuneration for 2023:

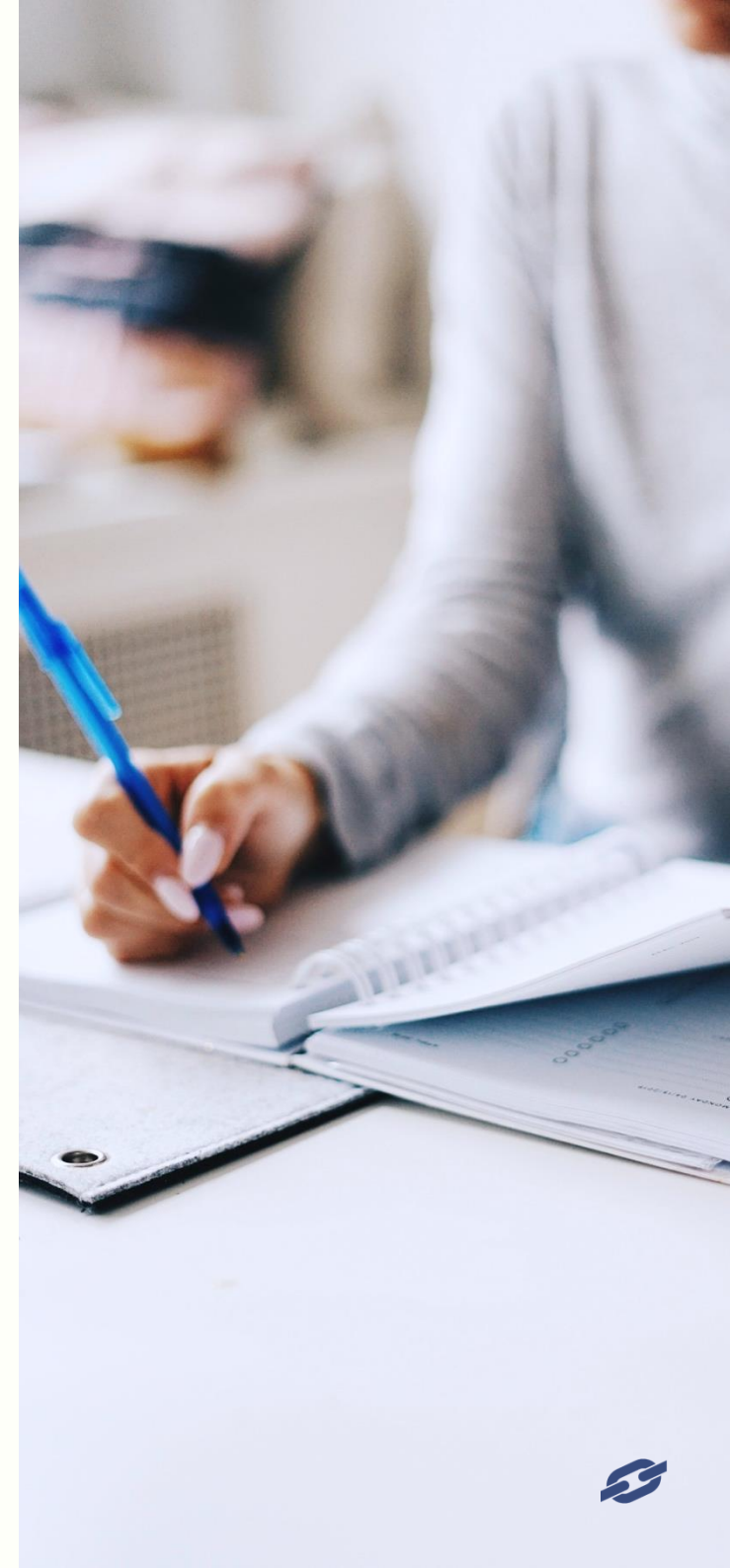
- Base salary was adjusted for Executive Management as part of the annual salary review for 2023, and as per the established process, the adjustment was approved by the Board following review in the Remuneration Committee.
- Management earned an award in 2023 under the Long-Term Incentive (LTI) Plan in accordance with performance on established KPIs and following Board review and approval, this award was paid in Q1 2024.
- Employees earned awards under the Short-Term Incentive (STI) Plan in 2023 that were paid in Q1 2024 following Board review and approval.

1.2.2 The Group's Performance in 2023

This past year we have continued to operate safely, efficiently and with high quality. We have seen solid results from systematic and dedicated organizational effort over several years. We have delivered strong results on financial targets, and we have further strengthened our balance sheet. We are proud to see that we uphold our leading position within ESG within the shipping segment. The Board is pleased with the financial results as well as the high performance of other key KPIs, related to operations, safety and sustainability, where we continue to perform ahead of our industry-leading plan to reduce emissions.

¹

https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf



2 Remuneration to Leading Personnel in 2023

2.1 Total Remuneration to Leading Personnel

Table 1 below contains the total remuneration split by each salary component paid and payable to the Company's leading personnel for the financial year 2023 that relates to their position as part of Executive Management.

Table 1 – Total remuneration split out by component (NOK)								
Name and Position	Fixed Remuneration			Variable Remunerations (2)		Pension Expenses (3)	Total Remuneration	Proportion of Variable Remuneration
	Base salary	Fees	Benefits (1)	One-year variable	Multi-year variable			
Harald Fotland CEO	5,500,000	-	269,792	2,750,000	2,750,000	264,112	11,533,918	48%
Terje Iversen CFO	2,780,000	-	230,568	1,390,000	917,400	263,395	5,581,363	41%
Øistein H. Jensen CSO	2,113,792	-	223,572	1,056,896	697,551	261,182	4,352,993	40%
Adrian Lenning Managing Director Terminals	2,500,000	-	222,936	1,250,000	825,000	255,839	5,053,775	41%
Bjørn Hammer CCO	2,800,000	-	224,304	1,400,000	924,000	256,839	5,605,143	41%
Torger Trige CTO	2,077,129	-	398,738	1,080,231	712,952	261,642	4,530,692	40%



Item	Comment
(1) Benefits	Encompasses car allowance, personnel insurance, mobile phone and broadband coverage. For Torger Trige it also covers housing expenses due to commuter housing.
(2) Variable Remunerations	One-year variable: Short-Term Incentive (STI) earned in 2023 was paid out in February 2024. The earned 2023 STI is reported above. The amount is from 2023 included holiday pay. Multi-year variable: Long-Term Incentive (LTI) earned in 2023 was rewarded in March of 2024. The earned 2023 LTI is reported above.
(3) Pension Expenses	Collective pension DNB and Storebrand Asset Management Pension scheme which is 16% for salary over 12G, capped at 18G. 1G= 118 640 kr - last adjusted in May 1. 2023

2.2 Stock option programs

The Company does not have any stock option programs.

2.3 Use of the right to reclaim variable remuneration

Related to the LTI plan described in this report, the Board or Committee is entitled to claim reimbursement to the Company of RS's awarded to the Participant if during a term of three years following the Award, (a) the Award was granted upon achievement of financial or other financial results there were subsequently restated or corrected, and (b) the Participant from whom such reimbursement is sought, engaged in misconduct or fraud that caused or partially caused the restatement or correction, and (c) a lower Award would have been calculated for the Participant upon restated or corrected results.



3 Compliance with the Guidelines

3.1 Information on how the remuneration complies with the Guidelines

Odfjell SE is a leading International Company within the chemical tanker and storage industry. To maintain and strengthen its market position, and to reach the objectives the Board of directors has set for the Company, Odfjell SE is dependent on recruiting and retaining highly competent employees, leaders included. The Company must therefore grant competitive compensation to its leading employees. The 2023 remuneration is in compliance with the Guidelines and a total rewards package including fixed and variable compensation elements as well as competitive benefits, has contributed to the long-term interests and sustainability of the Company.

3.2 Information on how performance criteria were applied

Performance criteria for Short-Term Incentive Plan (one-year variable)

The Board has approved a Short-Term Incentive (STI) plan for all onshore shipping employees. This plan is linked to the Company's earnings performance as well as to the Company's performance on other key performance indicators for safety, operations, and sustainability. The scheme contains a cap of a maximum of six months' salary for Executive Management.

Performance on the Short-Term Incentive (STI) Plan for 2023 was 100% (vs. 98,0% for 2022) for Corporate, which is the applicable job area for Executive

Management. STI performance is based on general financial KPIs and operational KPIs for Ship Management, Tankers and Terminals. Starting in 2022, sustainability has been included as a KPI and the weight of sustainability linked KPIs was increased in 2023. To calculate the score for the Executive Management, the KPIs for Ship Management, Tankers and Terminals are each weighted equally.

Performance criteria for Long-Term Incentive Plan (multi-year variable)

The Annual General Meeting approved a Long-Term Incentive Plan (LTI) / Performance Restricted Share on 9 May 2016. The total number of Restricted Shares (RS) available for awards under the Plan shall annually be distributed with a three-year restriction period in accordance with the rules of the Plan. The Participants may receive an awarded amount up to 50% of annual base salary for the CEO and up to 33% of annual base salary for the other participants of Executive Management, where the awarded amount less withholding tax shall be used to purchase RS in Odfjell. The number of awarded RS depends on the achievement of certain Key Performance Indicators (KPIs). These KPIs have been derived from strategic goals and consist of:

- Share Price development,
- Return on Capital Employed (ROCE) and
- A discretionary element to be assessed by the Board, which for 2023 relates to sustainability.

The KPI performance for 2023 on the Long-Term Incentive Plan was 100%, (vs. 100% for 2022).

3.3 Information on derogations and deviations from the Guidelines and from the procedure for their implementation

The Guidelines were approved by the Company's General Meeting on May 3, 2023.



4 Comparative Information on the Change of Remuneration and Group Performance

Table 2 below contains information on the annual change of remuneration for leading personnel on an individual basis, the performance of the Group and average annual change of remuneration on a full-time equivalent basis for all other onshore employees of the Company and onshore Shipping globally, over the last five financial years.

Annual % change of remuneration in NOK	2019 vs 2018		2020 vs 2019		2021 vs 2020		2022 vs 2021		2023 vs 2022	
	Fixed Salary	Total Remuneration	Fixed Salary	Total Remuneration	Fixed Salary	Total Remuneration	Fixed Salary	Total Remuneration	Fixed Salary	Total Remuneration
Harald Fotland – COO until assuming CEO role from 06.05.2022	2.2%	- 14.4%	2.6%	39.3%	7.0%	- 4.0%	41.8%	139.7%	26.7%	11.4%
Terje Iversen CFO	4.0%	- 14.4%	2.6%	41.2%	2.0%	- 3.9%	5.3%	49.9%	9.0%	5.7%
Øistein H. Jensen CSO	4.0%	- 16.1%	5.4%	28.3%	2.0%	- 3.8%	3.9%	48.5%	4.9%	2.4%
Adrian Lenning Managing Director Terminals, from 01.12.2022									N/A	N/A
Bjørn Hammer CCO, from 01.12.2022									N/A	N/A
Torger Trige CTO, from 01.12.2022									N/A	N/A



Average change of fixed remuneration on a full-time equivalent basis of employees	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022
Employees of the company- Odfjell Management AS	2.5%	2.7%	2.6%	3.1%	6.6%
Employees of the Shipping globally	3.2%	2.8%	2.3%	2.9%	6.3%

Group performance	2019	2020	2021	2022	2023
EBIT (USD mill)	50	115	47	224	294
Net result (USD mill)	- 37	28	- 33	142	203
ROCE (%)	2.8%	6.1%	2.4%	11.8%	15.8%
Share price (NOK) (A-shares)	26.5	27.3	33.6	89	116.5
LTIF shipping and corporate	0.89	0.21	0	0.45	0.09
Annual Efficiency Ratio (AER) fleet	8.75	8.29	8.03	7.59	7.20

Odfjell SE announced in December of 2022 that the Company appointed three additional members to its Executive Management. All three previously held positions as Global Heads within their respective areas of responsibility. Therefore, there is limited historical data in the comparative overview for these members of Executive Management.



5 Information on Shareholder Vote

Pursuant to the Companies Act Section 6-16 b (3), this report shall include an explanation on how the result of the general meeting's advisory vote over the report on salary and other remuneration to leading personnel for the previous year has been regarded. At the annual general meeting held on 3 May 2023, 99.06% of the advisory votes supported the Board's report on salary and other remuneration to leading personnel.



INDEPENDENT AUDITOR'S ASSURANCE REPORT ON SALARY AND OTHER REMUNERATION TO LEADING PERSONNEL IN ODFJELL SE FOR THE FINANCIAL YEAR 2023

To the General Meeting of Odfjell SE

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Odfjell SE's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 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. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or 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, 21 March 2024
ERNST & YOUNG AS

The auditor's assurance report is signed electronically

Jørn Knutsen
State Authorised Public Accountant (Norway)

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Jørn Knutsen

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