

# **STATEMENT REGARDING STIPULATION OF WAGES AND OTHER REMUNERATION FOR MANAGING DIRECTOR AND OTHER LEADING EMPLOYEES**

## **1. About the statement**

Pursuant to Section 6-16a of the Public Limited Companies Act the Board of Directors is obliged to prepare a statement regarding stipulation of wages and other remuneration for Managing Director and other executive personnel.

The statement shall include guidelines for the stipulation of wages and other types of remuneration and shall also indicate the company's main principles for its executive personnel wage policy. The guidelines are only recommendations for the board. If the Board of Directors enters into an agreement deviating from the guidelines, the minutes from the relevant board meeting shall state the reason for the deviation. Item 2.5 regarding share options is however, binding for the board and the Company.

AKVA group ASA defines the persons in the positions of CEO, CFO, COO Hardware and Recirculation, General Manager Export, COO Software, General Manager Americas and General Manager Sales Nordic as leading employees.

## **2. Guidelines for remuneration and other benefits in 2011**

### **2.1 The main principles for the company's leader remuneration policy**

The main principles for the company's executive personnel wage policy is that the basic wage shall promote value creation in the company and contribute to common interests between the owners and the executive personnel. The basic wage shall not be of a kind or size that may damage the company's reputation.

As a leading actor within its scope of business, AKVA group ASA is dependent on being able to offer wages that recruits the most able leaders. It is the board's policy to employ the most competent leaders by offering satisfactory wages which are also competitive on the international market.

The board of directors has established a compensation committee which shall act as preparatory body in connection with the Board of Directors' supervisory role, with respect to the remuneration of the Company's CEO and other senior executives, and to prepare matters for which the Board of Directors maintains responsibility and decision authority.

## **2.2 Determination of salary**

The company's policy is that the executive personnel wages shall primarily be a fixed monthly salary which reflects the position and experience of each individual.

The basic salary for the executive personnel consists of a fixed wage which is stipulated individually. The fixed salary shall be determined based on the following criteria:

- Experience and competence
- Size of the company
- The competitive market situation

Other target figures may apply depending on the main activities of the enterprise. Variable compensation shall normally not exceed the fixed salary.

The CEO's remuneration is dealt with by the Board of Directors. The salary adjustments for the other leading employees shall be determined by the CEO with subsequent reporting to the Board of Directors.

Determination of pay for executive employees shall be according to the principles that apply for the other employees in regards of limits for annual adjustment of pay, time of adjustment and a total wage compensation consisting of a fixed and variable pay.

## **2.3 Benefits**

The company grants benefits such as telecommunication and similar based on need. Moreover, a company car might be considered based on need as a part of the overall remuneration.

## **2.4 Bonus schemes and similar variable compensation**

The Board of Directors is working on establishing a bonus scheme contemplating all employees. There is no separate bonus program for leading employees, except for the new CEO. November the 19<sup>th</sup> the Board accepted a bonus scheme for the new CEO based upon company result and personal goals up to max 30 % of annual salary.

January the 18<sup>th</sup> 2011 the Board decided to postpone the bonus scheme contemplating all employees until the new CEO had analyzed the actual situation.

The general bonus plan does not exclude special bonus payments for particularly demanding projects.

No bonuses are paid in 2010 according to the financial results of the company.

## **2.5 Share options**

AKVA group ASA introduced a share option plan in 2006, which allows the Board of Directors to grant options for the subscription of shares for an aggregate nominal value of NOK 1,012,108. The share option plan was approved by the general meeting on 6 October 2006. The options may be awarded both to leading employees and other select employees. In 2010 120.000 options were awarded which were part of the employment contract of the new CEO. At year end 2010, an aggregate of 538,001 options had been awarded to leading employees and other selected employees.

The board has allocated options in 2010 in accordance with the share option plan.

## **2.6 Pension**

In principal the pension plans for the executive personnel shall be the same as those generally established for the employees in the company. Early retirement pension agreements may be made with the executive personnel with a mutual right to demand retirement from the age of 62.

## **2.7 Severance pay**

Agreements for severance pay upon termination agreements will be seen in conjunction with confidentiality and non-compete clauses in each individual's employment contract to ensure that only limitations in the individual's opportunity to obtain new employment are compensated. Severance pay agreements shall in principle include deductions for incomes received from other sources.

## **2.8 Other variable elements**

There are no variable elements in the company's remuneration of leading employees apart from the bonus arrangement.

## **3. The compensation policy of the previous accounting year, 2010**

AKVA group ASA's aim in the previous year was to offer competitive terms of employment to the executive personnel. The principles described in section 2 were applied with respect to the adjustments of salary and award of other compensations in 2010. Only minor adjustments of base salary for 2010.