

KCC GUIDELINES FOR REMUNERATION TO EXECUTIVE PERSONS

INTRODUCTION

These guidelines regarding remuneration to the executive persons have been prepared by the Board of Directors of Klaveness Combination Carrier ASA (the "**Company**", "**KCC**") in accordance with the Norwegian Public Limited Liability Companies Act Section 6-16a and related regulations. The guidelines have been prepared for approval by the Company's Annual General Meeting in 2026 and will apply until the Company's Annual General Meeting in 2030, unless amended or replaced earlier.

The main changes from the guidelines approved by the Annual General Meeting 2023 are adjustment of the exercise period for share options and removal of the Company's claw-back right in the event of a participant's resignation, as well as introduction of a section on remuneration to the Board of Directors.

Who does the guidelines apply to

These guidelines apply to remuneration to members of the Board of Directors and Senior Executives in the Company. For the purposes of these guidelines, Senior Executives include the CEO, the CFO, and other Senior Executives when relevant. The guidelines first discuss remuneration to Senior Executives and then separately members of the Board of Directors.

Preparation and review of these guidelines

These guidelines have been approved by the Board of Directors. When the need arises for significant changes in the guidelines, but at least every fourth year, the Board of Directors shall prepare a revised proposal for guidelines for resolution by the Annual General Meeting. The Annual General Meeting shall decide on such proposals. Resolved guidelines may also be amended by way of resolution by general meetings other than Annual General Meetings.

SENIOR EXECUTIVES

Purpose and general remuneration principles

The guidelines constitute a framework for remuneration to Senior Executives and the main general principles are:

1. The principles shall be designed to ensure responsible and sustainable remuneration decisions that support the Company's business strategy and progress towards and achievement of goals, long-term interests, profitability and sustainability and long-term growth in share-holder value
2. Salaries and other employment terms shall enable the Company to recruit, develop and retain skilled Senior Executives with relevant experience and competence
3. The remuneration shall be on market terms, simple and transparent, competitive while well-balanced, and reflect the performance and responsibilities of individual Senior Executives

In the preparation of the Board of Directors' proposal for these guidelines, due consideration has been given to the remuneration and employment conditions of the Company. This includes an assessment of the employees' total compensation, its components and the terms governing it, in order to determine whether the guidelines and limitations set out herein are reasonable.

Remuneration for Senior Executives must be adjusted to comply with any local mandatory rules in the jurisdiction of their employment and to comply with established local practice, taking into account, to the extent possible, the overall purpose of the guidelines.

Elements of remuneration

The remuneration to the Senior Executives covered by these guidelines consists of:

- Fixed cash salary
- Annual variable cash salary
- Long-term incentive program
- Pension, insurances and other benefits

Principles for fixed cash salary

The fixed cash salary shall be in line with market conditions for corresponding jobs in the industry, be competitive, and shall take into account the scope and responsibility associated with the position, as well as the skills, experience, and performance of each Senior Executive.

Principles for annual variable cash salary

Bonus is distributed on an annual basis and is divided into two elements: i) a Formula bonus based on return on equity of KCC on a consolidated basis for the relevant year, and ii) a Discretionary element. Any discretionary bonus to the CEO shall be set by the Board of Directors. The cap payment (formula + discretionary) is set at between 6-12 months fixed annual cash salary for Senior Executives, depending on position, skills, experience, performance and country of work. Full pay out under the cap is reached at 20% return on equity and in such a situation no discretionary element is given as cap is already reached. In exceptional circumstances, and following a prudent overall assessment, the Board of Directors may award a discretionary bonus above the cap.

The discretionary element is based on goal achievement and individual performance. Performance criteria shall reflect the key drivers for pursuing the Company's business strategy and progress towards and achievement of goals both related to overall and financial performance. Individual performance including strong and development-oriented leadership execution and operating in accordance with the Company's values and ethical standards are part of the evaluation. The following short-term key performance criteria form basis for the evaluation in addition to the individual performance:

Name of goal	Description
1. Health and safety of crew and vessels	Meet targets related to injuries and accidents, spills to the environment and cargo contamination
2. Profitability and cash generation	Meet return targets, TCE-earnings per day and premium to earnings of standard tanker vessels taking into account the cyclicity and volatility of the underlying markets
3. Decarbonization	Meet targets or demonstrate measurable progress related to decarbonization
4. Financing	Meet targets with respect to existing and new debt facilities as well as raising equity taking into account the market conditions
5. Customer satisfaction and vetting	Improve and maintain customer vessel/office vetting and inspection performance based on identified targets
6. Commercial development	Meet targets for conclusion of current and new contracts of affreightment (COAs), combination trading, expansion of customer acceptance and establishment of new combination trades

Principles for long-term incentive program (LTIP)

In the Board of Directors' view, a long-term incentive program forms an important part of the total compensation for Senior Executives. It allows the Company to retain and hire the talent it needs for further growth and is aligned with the shareholder interests of long-term growth in shareholder value. The right to participate in a long-term incentive program is based on an assessment of each employee and the role of that employee.

The Company's LTIP comprises two elements:

- A share purchase program under which all employees are offered the opportunity to acquire shares at a price set at 80% of the prevailing market price, subject to a three-year lock-up period during which the shares may not be sold or transferred. Senior Executives are offered the possibility for optional loan financing of up to 50% of the purchase price (the "**Share Purchase Program**")
- A share option program with a strike price equal to market price at the time of grant (the "**Share Option Program**"). Participation in the Share Option Program is limited to Senior Executives and other key employees and are subject to purchase of shares under the Share Purchase Program

Further on the Share Purchase Program

The Share Purchase Program provides the opportunity to purchase shares in the Company at a price set at 80% of the prevailing market price against a three-year transfer restriction (lock-up). The discount reflects the value reducing effect of the lock-up restriction calculated on the basis of the Black & Scholes model and in accordance with market practice. The market price will be equal to the volume weighted average trading price during the last ten trading days prior to the date of the offer.

The Board may offer loan financing of up to 50% of the purchase price for the purchased shares under the LTIP. Any such loan financing shall be secured with first priority pledge over all shares purchased under the Share Purchase Program. The interest shall be equal to the lowest tax-free interest rate for low-cost loans to employees in Norway from time to time (Norwegian: Statens normrente). The Board will within said scope determine the detailed terms and conditions for any such loan financing. Offer for loan financing is subject to resolution by the General Meeting in accordance with section 8-10 of the Norwegian Public Limited Liability Companies Act and fulfilment of the other conditions set forth therein.

Further on the Share Option Program

The Board may offer to grant a number of share options as part of the share purchase. Each option gives the option holder the right to acquire one share at a price equal to the market price at the time of grant of the share option. The market price will be equal to the volume weighted average price during the last ten business days prior to the date of grant.

Share option grants are subject to participation in the Share Purchase Program, i.e. that the employees must purchase shares under the Share Purchase Program in order to be awarded share options. The Board of Directors may grant a number of share options which is equal to maximum five times the number of shares acquired under the Share Purchase Program, i.e. between 0x and 5x of the number of shares acquired. The Board determines the ratio within said limitation at the Board's discretion.

The share options will vest 1/3 each year following the date of grant. In case the employment ceases for any reason, any unvested options awarded under the Share Option Program will lapse and be void without any compensation. Vested options may be exercised by the option holder at any time provided the option holder at such time is not restricted from exercising options pursuant to applicable securities legislation or internal guidelines in relation to securities trading. Vested options must be exercised no later than five years after the date of grant.

Maximum number of shares and options comprised by the LTIP

The LTIP is limited to a maximum number of shares corresponding to 2% of the Company's total share capital for all employees, i.e. Senior Executives and all other employees that are part of the program. This will provide sufficient headroom for allocation of shares and options.

Principles for pension, insurance and other benefits

Senior Executives in Norway are included in the Company's standard pension and insurance schemes on the same terms and conditions as all other employees in Norway.

The Senior Executives are eligible for other benefits, such as a mobile phone with subscription and internet as all other employees.

Non-financial benefits shall be based on market terms and shall facilitate the duties of Senior Executives. The Company aims to have a sufficiently competitive salary and incentive programs and limited additional non-financial benefits. Any non-financial benefits, beyond what is offered to the entire workforce of the Company, shall be reviewed and approved by the Board of Directors. Such benefits shall represent a relatively low proportion of the overall remuneration package.

Decision-making processes

The Board of Directors makes all decisions regarding remuneration of the CEO and the principles for the annual variable cash salary and the long-term incentive program. The Board of Directors' involvement in the decision-making process reduces the risk of conflicts of interest.

Termination of employment

The current Senior Executives have notice periods of three or six months and the CEO is guaranteed 12 months cash salary if his employment contract is being terminated by the Company.

Derogations from these guidelines

The Board of Directors may temporarily resolve to derogate from these guidelines with respect to Senior Executives, in whole or in part, if in a specific case there is a special cause for such derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability.

MEMBERS OF THE BOARD OF DIRECTORS

Determination of board remuneration

Remuneration to the Board of Directors is proposed by the Company's Nomination Committee and determined by the Company's General Meeting in accordance with applicable law and the instructions to the Nomination Committee. The remuneration is normally decided annually at the Annual General Meeting. The remuneration is cash based and does not include any variable elements or participation in incentive schemes.

Derogations from these guidelines

The General Meeting may temporarily resolve to derogate from these guidelines with respect to members of the Board of Directors, in whole or in part, if in a specific case there is a special cause for such derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability.