

## SCATEC SOLAR ASA

### THE BOARD OF DIRECTORS' DECLARATION ON DETERMINATION OF SALARIES AND OTHER REMUNERATION FOR EXECUTIVE MANAGEMENT 2018

#### 1. General

This declaration is prepared by the board of directors in Scatec Solar ASA ("**Scatec Solar**") in accordance with the Norwegian Public Limited Liability Companies Act (the "**Companies Act**") section 6-16a, for consideration at the annual general meeting on 30 April 2019.

Principles in this declaration regarding allocation of shares, subscription rights, options and any other form of remuneration stemming from shares or the development of the share price in the company or in other group companies are binding for the board of directors when approved by the general meeting. Such guidelines are described in section 3.1.2. Other guidelines are precatory for the board of directors. If the board of directors in an agreement deviates from these guidelines, the reasons for this shall be stated in the minutes of the board of directors' meeting.

The principles set out for determination of salaries and other remuneration applies for the Chief Executive Officer, the Chief Financial Officer, and the Executive Vice Presidents of Scatec Solar (together "**Executive Management**"), as of today eight individuals, for the financial year 2019 and until new principles are resolved by the general meeting in accordance with the Companies Act.

#### 2. The main principles of the Company's remuneration policy for Executive Management

Executive Management remuneration in Scatec Solar shall be determined based on the following main principles:

##### 2.1 Executive Management remuneration shall be competitive, but not leading

Executive Management remuneration shall, as a general guideline, be suitable to attract and retain skilled leaders. The salaries for the Executive Management should be comparable with levels in similar businesses.

##### 2.2 Executive Management remuneration is to be motivational

Executive Management remuneration should be structured to motivate the Executive Management to strive to realise the Company's strategic goals. The main element of Executive Management remuneration should be the base salary, although additional variable incentives should be available to motivate the Executive Management's efforts on behalf of the company.

#### 3. Principles regarding benefits that can be offered in addition to regular salary

Scatec Solar has sought to structure a plan combining base salary, short term incentive and share based long term incentive to ensure (i) to motivate the Executive Management to strive to realise the Company's strategic goals including financial results, (ii) be suitable to attract and retain skilled leaders taking into account the international market the company participates in, (iii) that the plan is approximately the average for management salaries for comparable Executive Management in similar businesses, and in the respective local market

### 3.1 Additional benefits

#### 3.1.1 Short Term Incentive - Bonus scheme

As part of the incentive and retention plan in effect from 2016, the Executive Management is part of a bonus arrangement based on key performance indicators both on the Company's overall and financial performance as well as the individual's performance. The bonus shall not exceed fifty percent (50%) of the annual base salary.

#### 3.1.2 Long Term Incentive – Option Programme

The Company implemented in 2016 a share option plan (the “**Former Option Plan**”) whereby the Executive Management and certain of the Company's key employees, may over a three-year period be allocated options corresponding to up to 4,600 000 shares of the Company, equivalent to approximately five percent (5%) of the total outstanding shares. The last tranche of the Former Option Plan was awarded in January 2019, and in aggregate options corresponding to 1,658,315 shares of the Company, equivalent to approximately one and a half percent (1.5%) of total outstanding shares have been awarded since 2016. The strike price of each yearly award is based on the volume weighted average share price for the period immediately prior to the award. The number of options awarded to each employee is calculated so that the value of the options is expected to correspond to fifty percent (50%) of the employee's base salary based on a pre-defined share price increase over the tenor of the option program.

As of 28 March 2019, the Executive Management holds the following shares and unexercised options:

<b>Name</b>	<b>Number of shares held</b>	<b>Unexercised options @NOK 28.08</b>	<b>Unexercised options @NOK 47.65</b>	<b>Unexercised options @NOK 72.03</b>	<b>Total number of share options</b>
Raymond Carlsen	2,815,434	38,776	50,732	52,445	141,952
Mikkel Tørud	298,817	29,843	37,221	38,477	105,540
Torstein Berntsen <sup>1</sup>	695,486	24,636	30,727	31,764	87,126
Roar Haugland	251,439	22,421	29,053	29,887	81,360
Terje Pilskog	512,784	25,980	32,401	33,495	91,875
Snorre Valdimarsson	16,124	22,421	29,053	30,180	81,653
Toril Haaland	877	0	0	27,288	27,288
Pål Helsing	4,977	0	0	32,131	32,131

<sup>1</sup> Together with related parties, Berntsen holds a total of 696,381 shares in Scatec Solar.

It is intended that the Board of Directors may use its authorisation to increase the share capital of the Company and/or buy own shares to settle options being exercised under the Option Plan.

From 2020 the Board intends to continue the share option plan following the same principles as previously. Over a three-year period, options may be allocated corresponding to up to 2,500,000 shares of the Company, equivalent to approximately 2.2 percent of the total outstanding shares. Annually approximately 1/3 of the options are awarded, with corresponding vesting periods of 12, 24 or 36 months. The strike price of each yearly award is based on the volume weighted average share price for the period immediately prior

to the award. The number of options awarded to each employee is calculated so that the value of the options corresponds to fifty percent (50%) of the employee's base salary based on a pre-defined share price increase over the tenor of the option programme.

### 3.1.3 Pension plans and insurance

The Company has established a pension scheme in accordance with the Norwegian Occupation Pension Act. The pension scheme is based on a defined contribution for all Norwegian employees. The pension scheme covers salary from 1G (NOK 96,883) to 12G (NOK 1,162,596) and is therefore in accordance with Norwegian legislation.

The Company may, but currently has not, sign early retirement agreements for Executive Management.

The company may compensate the Executive Management and the manager's family, as defined as close associates pursuant to the Norwegian Securities Trading Act section 2-5 no. 1 and 2, for health and life insurance plans in line with standard conditions for executive positions, in addition to mandatory occupational injury insurance required under Norwegian Law.

### 3.1.4 Severance schemes

Agreements may be signed regarding severance pay for the company's Chief Executive Officer ("CEO") and other members of the Executive Management in order to attend to the company's needs, at all times, to ensure that the selection of managers is in commensuration with the company's needs. Pursuant to the Norwegian Working Environment Act, such agreements will not have a binding effect on executives other than the CEO.

Severance schemes shall be sought set up so that they are acceptable internally and externally. In addition to salary and other benefits during the term of notice, such schemes are not to give entitlement to severance pay for more than 12 months.

### 3.1.5 Benefits in kind

Executive Management may be offered the benefits in kind that are common for comparable positions, e.g. free telephone service, home PC, free broadband service, newspapers.

### 3.1.6 Executive management remuneration in other Scatec Solar companies

Other companies in the Scatec Solar group are to follow the main principles for the determining of management salaries and remuneration as set out in this declaration. Scatec Solar aims at coordinating management remuneration policy and the schemes used for variable benefits throughout the group.

#### 4. Statement on executive salary policy and consequences of agreements on remuneration in the previous financial year

##### SALARIES AND PERSONNEL EXPENSES FOR THE EXECUTIVE MANAGEMENT OF SCATEC SOLAR ASA

2018 (NOK THOUSAND)	TITLE	SALARY 1)	BONUS	NUMBER OF OPTIONS AWARDED 2)	EXERCISE OF SHARE OPTIONS	OUT- STANDING OF SHARE OPTIONS	OTHER BENEFITS 3)	PENSION COSTS	LOANS OUT- STANDING
RAYMOND CARLSEN	CHIEF EXECUTIVE OFFICER	3211	1,200	76	-39	154	28	147	-
MIKKEL TØRUD	CHIEF FINANCIAL OFFICER	2258	770	56	-26	119	11	145	1,153
SNORRE VALDIMARSSON	EVP GENERAL COUNSEL	1763	601	44	-22	88	17	146	1,212
TERJE PILSKOG	EVP PROJECT DEVELOPMENT & PROJECT FINANCE	1965	670	49	-26	101	11	146	1,212
ROAR HAUGLAND	EVP SUSTAINABLE BUSINESS & HSSE	1754	515	44	-22	88	11	151	-
TORSTEIN BERNTSEN	EVP POWER PRODUCTION AND ASSET MANAGEMENT	1864	636	46	-25	95	11	149	1,126
PÅL HELSING	EVP SOLUTIONS	1885	827	-	-	-	6	146	-
TORIL HAALAND (FROM 1/6-2018)	EVP PEOPLE & ORGANISATION	801		-	-	-	-	69	-

1) Including paid out holiday allowance.

2) See below for further information

3) Other benefits include benefits such as insurance, free phone, and car allowance.

The agreements described in this section 4 are entered into in accordance with the principles for determining Executive Management salaries and remuneration as further described above. The Executive Management remuneration policy as carried out in the financial year 2018 has supported Scatec Solar in retaining highly skilled personnel. The board of directors has not identified any significant negative consequences resulting from agreements on salaries and remuneration.

Oslo, 14 March 2019

The Board of Directors of Scatec Solar ASA