

## Songa Bulk ASA



### Guidelines for remuneration of executive management

*Last updated and approved in by the board of directors on 24 April 2018*

The board of directors has adopted separate guidelines on the remuneration of the CEO and other members of the company's executive management in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act. The company's remuneration to the key management are described in note 20 to the consolidated annual accounts for 2017 and will also be presented at the annual general meeting in the form of a supporting document.

The main principle of the company's remuneration policy is to offer competitive terms in an overall perspective taking into account salary, payments in kind, bonuses, pension plans and other benefits, to retain key staff. The salaries and other benefits of members of the management for 2018 will be based on the following principles:

#### Fixed salaries

The fixed annual salary for each member of management shall be competitive and based on the individual's experience, responsibilities as well as the results achieved during the previous year. Salaries and other benefits shall be reviewed annually, and adjusted as appropriate.

#### Payment in kind

Members of the management will receive payment in kind such as cell phone expenses and payment of IT and telecommunication expenses.

#### Bonus

In addition to their fixed annual salary, members of the management may be granted additional remuneration in the form of bonus payments. Any bonus payment will be based on a discretionary assessment by the board of directors, considering the company's performance, as well as specified criteria and goal achievement.

#### Shares, warrants and options

Members of the management are encouraged to hold own shares in the company. As per the approval of these guidelines, the following members of the management (directly or indirectly) control the following number of shares:

Herman Billung (CEO)	73,500 shares
Thomas Rønningen (CFO)	3,500 shares
Per Kristian Aamlid (COO)	34,000 shares
Nina Rathsack (Operations Manager)	2,540 shares

The company does not have any stock option programmes. However Herman Billung and Per Kristian Aamlid have been granted warrants in the Company. Total warrants issued to the employees are set out in the table below. Each warrant gives the holders the right, but no obligation, to subscribe for one share at a price equal to the share subscription price in each respective share issuance. The warrants are valid for a period of 5 years from the relevant date of issuance. No more warrants will be issued under the program.

Conditions for exercise are such that tranche 1 vests at subscription price + 25%, tranche 2 vests at subscription price + 50% and tranche 3 vests at subscription price + 75%. The price increase is measured from the average volume weighted trading price for a period of 10 trading days with minimum trading volume equal to the NOK equivalent of USD 1 million.

*Granted warrants as at 31 December 2017 to shareholders that are also employed by the Group:*

Share issue	No of warrants	Tranche 1		Tranche 2			Tranche 3		
		Value per warrant (NOK)	Value per warrant (USD)	No of warrants	Value per warrant (NOK)	Value per warrant (USD)	No of warrants	Value per warrant (NOK)	Value per warrant (USD)
4 November 2016	201 094	5.87	0.72	201 094	5.84	0.71	201 094	4.54	0.56
31 January 2017	13 750	7.53	0.90	13 750	7.87	0.94	13 750	6.37	0.76
17 February 2017	59 583	6.85	0.82	59 583	6.99	0.84	59 583	5.52	0.66

#### Pension schemes

The remuneration for members of the management includes standard employee pension and insurance schemes and a variable pay element.

#### Severance pay arrangements

The company does not have any severance pay arrangements.