

# Executive Remuneration Report 2021



# Executive Remuneration Report

2021 was a year of continued improvement for Orkla despite the uncertainty arising from the COVID-19 pandemic. This indicates that the company has largely succeeded in generating growth and creating value by rapidly adapting to meet the challenges posed by the pandemic.

Important priorities have been to create value by protecting our employees and minimising the risk of infection and the negative consequences of the pandemic. It has also been important to secure access to goods and deliveries to customers and consumers and to maintain a stable cash flow. This has been achieved by means of clear prioritising, collaboration across the value chain and management involvement, and the strong contributions from and responsibilities assumed by our employees.

The challenges in 2021 have shown clearly how important it is that Orkla maintains its foundation for good leadership. Leadership at Orkla entails creating value by working with and through others. As a leader at Orkla, you succeed through the results achieved by your employees, by building strong, engaged teams and inspiring them to deliver a good performance.

Orkla's "winning leadership" concept is centred on our core values: brave, trustworthy and inspiring. Our ambition is to ensure that management makes it possible for employees to succeed and grow by involving them,

promoting diversity and inclusion and supporting value-based behaviour. Being a leader at Orkla means mastering several aspects of the role and being able to constantly adapt to changing commercial realities. Among other things, a leader must define goals and ensure competitive operations, develop the organisation and the employees and be a strong team player. These are leadership capabilities that are important for Orkla to develop, strengthen and incentivise.

## **Overall remuneration is in accordance with the Guidelines for Remuneration of Senior Executives and the company's results**

Orkla's Guidelines for Remuneration of Senior Executives, which were adopted by the General Meeting in 2021, determine the framework conditions for remuneration of the Board of Directors, the President and CEO and the Group Executive Board. The guidelines may be found on Orkla's website.

This Executive Remuneration Report for 2021 has been drawn up in compliance with the guidelines adopted in 2021, and applicable legislation. The remuneration which was actually paid out in 2021, and which is reported here, is fully in accordance with the framework conditions and the principles laid down in the guidelines. No departure has been made from the guidelines.

Orkla's remuneration policy has a guiding principle of a performance-based salary where STP plan targets and long-term aspirations are key factors.

This principle underlies both Orkla's short-term and long-term incentive programmes.

The remuneration actually paid to the President and CEO and the Group Executive Board in 2021 correlates closely with the company's performance development, as shown later in this report.

#### **Senior executives at Orkla and changes during the year**

In this report Orkla has chosen to deal with the remuneration of members of the Board of Directors, including employee-elected Board members, as well as the current Group Executive Board and former members of the Group Executive Board, limited to members in the past five years.

The current President and CEO, Jaan Ivar Semlitsch, took up his post on 1 August 2019. Several of the Group Executive Board members assumed their positions in 2019, 2020 and 2021, and information on the historical remuneration of many of the members will therefore be limited.

#### **The work of the Compensation Committee in 2021**

The Compensation Committee consists of three members who are appointed by and from among the Board of Directors' members. The Board appoints the committee chair.

The committee's terms of reference include the following:

- assess the performance of the President and CEO and propose to the Board remuneration based thereon
- recommend guidelines for remuneration of other senior executives

- prepare matters regarding remuneration for Board consideration
- prepare the Executive Remuneration Report for Board consideration

The committee has no independent decision-making authority unless the Board of Directors assigns it a special responsibility.

The Compensation Committee was chaired by Liselott Kilaas in 2021. The other members of the committee were Stein Erik Hagen and Terje Utstrand (employee-elected). The committee normally holds four to six meetings per year. In 2021 six meetings were held.

The main matters dealt with by the committee in 2021 were to

- prepare a draft of the Guidelines for Remuneration of Senior Executives
- determine framework conditions for adjustment of senior executive remuneration
- propose a basic salary adjustment procedure for the President and CEO and approve the President and CEO's proposal for salary adjustment for the Group Executive Board
- evaluate the performance of the President and CEO and the other Group Executive Board members and determine an individual bonus based thereon
- approve the individual targets of the President and CEO for the year
- prepare the Executive Remuneration Report and notes to the Annual Report
- consider and discuss various general issues, including evaluation of the Board of Directors, promotion of gender balance and equal pay, and general evaluation of types of reward

**Remuneration of the Board of Directors**

Every year, the Nomination Committee proposes a fee for members of the Board of Directors, after which the proposal is considered and decided by the General Meeting. Orkla has usually adjusted the Board members' fees in accordance with general wage growth, unless special circumstances dictate otherwise. The Nomination Committee wishes this general principle to remain a basic rule.

In 2020, the Nomination Committee recommended that fees remain unchanged, a recommendation that was adopted by the General Meeting. The Nomination Committee therefore proposed that the fees be adjusted in 2021 in accordance with general wage growth in the past two years to ensure that the fees are competitive.

These fee rates, which were adopted by the General Meeting, are shown on the next page.

### Fee rates 2020

Figures in NOK Function	Board of Directors	Audit Committee	Compensation Committee
Chair	843 000	181 000	144 000
Shareholder-elected member	537 000	121 000	108 000
Employee-elected member	442 000	121 000	108 000
Deputy member	27 500 per meeting		

### Fee rates 2021

Figures in NOK Function	Board of Directors	Audit Committee	Compensation Committee
Chair	880 000	191 000	152 000
Shareholder-elected member	570 000	128 000	112 000
Employee-elected member	460 000	128 000	112 000
Deputy member	30 000 per meeting		

### Remuneration of Board members 2021

Board members	Role	Audit Committee	Compensation Committee	Board fee	Committee fee	Total fee
Stein Erik Hagen	Chairman		Member	867 666	110 667	978 333
Ingrid Jonasson Blank	Member	Member		558 002	125 665	683 667
Nils K. Selte	Member	Chair		559 000	187 665	746 665
Liselott Kilaas	Member		Chair	559 000	149 333	708 333
Peter Agnefjäll	Member			559 000		559 000
Anna Mossberg	Member			559 000		559 000
Anders Kristiansen	Member			559 000		559 000
Caroline Marie Hagen Kjos	Deputy member*			-		-
<b>Employee-elected:</b>						
Terje Utstrand	Member		Member	454 000	110 667	564 667
Sverre Josvanger	Member	Member		454 000	125 665	579 665
Karin Hansson	Member			454 000		454 000
Roger Vangen	Member			454 000		454 000

\* Personal deputy member for Stein Erik Hagen and Nils K. Selte

### Orkla shareholders

Board members	Role	Shareholding 31.12.20	Purchases 2021	Sales 2021	Shareholding 31.12.21
Stein Erik Hagen	Chairman	250 100 000	287 581	0	250 387 581
Ingrid Jonasson Blank	Member	9 000		0	9 000
Nils K. Selte	Member	27 000	80 000	0	107 000
Liselott Kilaas	Member	10 000	2 500	0	12 500
Peter Agnefjäll	Member	20 000		0	20 000
Anna Mossberg	Member	2 034	1 291	0	3 325
Anders Kristiansen	Member	33 900		0	33 900
<b>Employee-elected:</b>					
Terje Utstrand	Member	7 465	2 944	0	10 409
Sverre Josvanger	Member	20 278	344	0	20 622
Karin Hansson	Member	1 821	172	0	1 993
Roger Vangen	Member	9 239	619	0	10 208

All figures show total shareholdings including shares owned by related parties.



**Remuneration of the Group Executive Board in 2021**

According to Orkla’s Guidelines for Remuneration of Senior Executives, the basic salary must be in line with the market median and reflect the position criteria with regard to qualifications, responsibilities and complexity, and the extent to which the position contributes to the achievement of Orkla’s overarching business objectives.

Orkla uses internationally recognised job evaluation systems to determine the right level of remuneration for the positions offered, and the basic salary offered must preferably lie within a salary range of +/- 20 per cent relative to the market median. The senior executive’s responsibilities, results achieved and performance determines where he or she is placed on the salary scale. Individual performances must be reflected in the basic salary, which must consequently be set on an individual, differentiated basis. In accordance with the guidelines, the level of basic cash remuneration, including the basic salary, must be evaluated regularly, normally annually.

The Group Executive Board also participates in Orkla’s annual central bonus programme, the Short-Term Incentive Programme (STI), and in the Long-Term Incentive Programme (LTI). According to the guidelines, these variable remuneration elements may exceed the market median.

Variable remuneration must be linked to predefined, ambitious and measurable criteria, as well as to Orkla’s business strategy, commercial objectives and long-term interests.

**Total remuneration as a percentage of basic salary**



**Maximum or or above-maximum performances**

Show the maximum amount that Group Executive Board members may be paid and LTI awards that may be allocated per year if a maximum outcome is achieved for STI and LTI.



**On-target performances**

Show the corresponding payment and allocation if the outcome is in accordance with the expected average outcome for the STI and LTI programmes.



**Below-threshold performances**

Show the minimum amount that is paid out if none of the minimum requirements for an STI bonus and an LTI allocation are met.



The comparison includes only basic salary, STI and LTI

### Itemised remuneration of Group Executive Board in 2021

Amounts in NOK 1 000 Group Executive Board	Annual salary 31.12.2020	Salary increase 2021	Annual salary 31.12.2021	Salary and holiday pay paid 2021	Annual bonus paid (earned in 2020)	Paid from bonus bank (LTI)	Benefits in kind (incl. car allowance)	Total salary and other remuneration paid 2021
Jaan Ivar Semlitsch	8 000	171	8 171	8 504	3 671	0	199	12 374
Harald Ullevoldsæter	3 100	88	3 188	3 264	1 353	0	202	4 819
Christer Grönberg <sup>2</sup>	3 125	64	3 183	3 538	1 361	816	147	5 863
Kenneth Haavet	2 950	60	3 010	3 068	1 379	0	203	4 650
Atle Vidar Nagel Johansen	3 930	113	4 043	4 508	2 583	867	201	8 159
Hege Holter Brekke <sup>1</sup>	2 429	New position	3 020	3 081	1 863	554	195	5 693
Sverre Prytz	2 950	60	3 010	3 082	1 288	0	201	4 571
Ingvill T. Berg <sup>1</sup>	1 906	New position	2 900	2 940	1 029	404	197	4 570
Johan Clarin <sup>2</sup>	3 450	93	3 515	3 783	769	816	211	5 578

1 Member of Group Executive Board from 1 March 2021

2 Salary agreed in SEK but translated to NOK at average annual exchange rate

### Remuneration earned, but not paid in 2021

Amount in NOK 1 000 Group Executive Board	Annual bonus earned for 2021	Allocated long-term incentive (LTI) <sup>2</sup>	Earned pension cost	Total earned and allocated	Balance bonus bank (LTI) 31.12.2021 <sup>3</sup>
Jaan Ivar Semlitsch	2 999	2 451	1 757	7 207	2 460
Harald Ullevoldsæter	1 170	956	617	2 743	2 460
Christer Grönberg <sup>4</sup>	3 125	955	993	3 058	1 848
Kenneth Haavet	1 667	903	561	3 131	907
Atle Vidar Nagel Johansen	1 051	1 213	1 131	3 395	2 340
Hege Holter Brekke	785	906	584	2 275	1 629
Sverre Prytz	1 105	903	571	2 579	907
Ingvill T. Berg	879	870	548	2 296	1 113
Johan Clarin <sup>4</sup>	3 450	1 054	927	3 919	2 023

1 Annual bonus earned for 2021 paid out in 2022

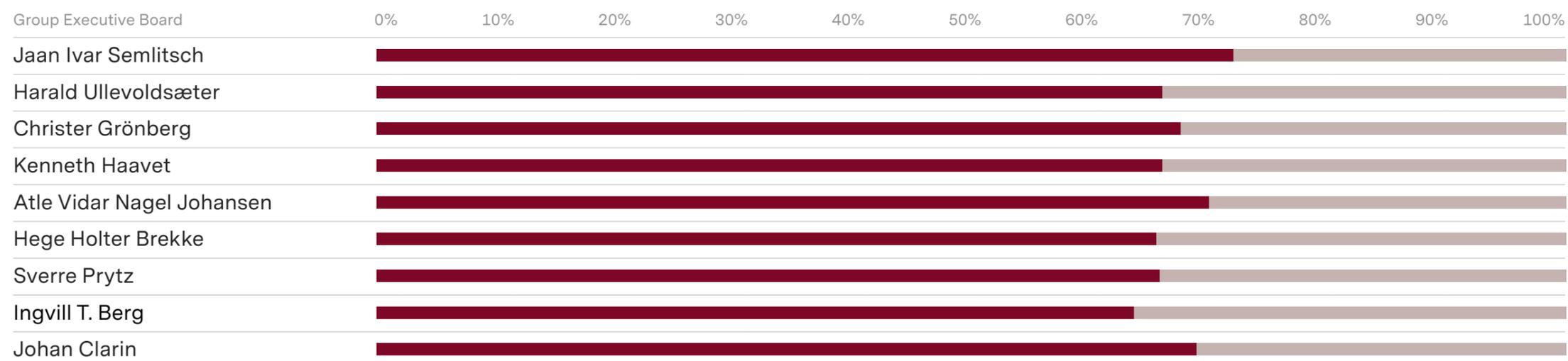
2 Allocated LTI in 2021 consists of share options valued using Black Scholes model

3 Stated balance is based on closing price of the Orkla share 31.12.2021

4 Amount originally determined in SEK has been translated to NOK at average annual exchange rate

### Relationship between basic and variable remuneration 2021

If we combine salary and holiday pay paid out in 2021, pension costs accrued in 2021 and fixed benefits in kind such as a car allowance and insurances in 2021 (basic remuneration), and compare the total with variable remuneration paid out and allocated in 2021 (STI and LTI respectively), the relationship between basic and variable remuneration is as follows:



### Annual bonus programme (STI programme)

The annual bonus programme is differentiated according to different roles and functions. The programme for 2021 is as follows:

#### STI programme for Branded Consumer Goods

- Quantitative financial targets (80 per cent weight):
  - Organic growth for “own level” (40 per cent weight for business areas’ management teams, 25 per cent for company management staff)
  - Organic growth for “level above” (0 per cent weight for business areas’ management teams, 20 per cent for company management staff)
  - EBIT-achievement (adjusted) for “own level” (40 per cent weight for business areas’ management teams, 35 per cent for company management staff)
- Individual targets (20 per cent weight):
  - With regard to individual targets, two to four targets must be defined for each participant. The individual targets must be designed so as to reflect each participant’s possibilities of contributing to Orkla’s development and growth. The targets can either be commercial (with an indication of effect and outcome), or behavioural (how to act in accordance with Orkla’s leadership principles and/or values), or a combination of the two. The Orkla Board of Directors approves these targets for the President and CEO, while the targets for the other participants are approved by each participant’s manager.

#### STI programme for the Consumer & Financial Investments business area

- For the companies in this business area:
  - EBIT-achievement (adjusted) for “own level” (50 per cent weight)
  - quantitative financial and/or operational elements (30 per cent weight): Here different elements can be defined for the various companies. For each element, ambitious targets must be defined linked to bonus achievement.
  - individual targets (20 per cent weight)
- For the management team in this business area:
  - EBIT achievement (adjusted) for “own level” (50 per cent weight)
  - portfolio growth and structural agenda – qualitative elements (30 per cent weight)
  - individual targets (20 per cent weight)

The bonus outcome is calculated on the basis that achievement of a predefined, ambitious target entitles the individual to half of the maximum bonus for the financial and quantitative bonus element in question. The outcome range will be equal both below and above the defined target.

After the initial calculation of the bonus based on the quantitative financial targets and the achievement of individual targets, each manager must make a final discretionary assessment of employees’ overall bonus achievement. The initial calculation is assessed in relation to the overall annual performance of the company in which the person is employed. As a result of this final assessment, the final bonus may either increase or be reduced in relation to the initial calculation.

### STI programme for Corporate Functions

- The annual bonus programme for Corporate Functions (including the President and CEO) consists of the following elements:
  - Quantitative financial targets (50 per cent weight)
  - organic growth for Branded Consumer Goods (25 per cent weight)
  - EBIT achievement (adjusted) for Branded Consumer Goods (25 per cent weight)
- An element linked to the return on the Orkla share (25 per cent weight):
  - To calculate this element, a basic amount equivalent to 5 per cent of the executive's annual salary is added to the return on the Orkla share for the year. A supplement for the return is calculated by comparing the average share price in the fourth quarter with the average share price in the fourth quarter of the previous year, and then making an adjustment for any dividend paid out. The return on the Orkla share is multiplied by a factor of 1 for members of the Group Executive Board and by a factor of 0.5 for other senior executives in Corporate Functions. The bonus outcome for this element, measured as a percentage of annual salary, is thus calculated as follows: 5 per cent is added to the return (which may be positive or negative) and multiplied by the above-mentioned factors. This bonus element may not exceed a maximum of 25 per cent of annual salary.
- Individual targets (25 per cent weight):
  - Individual targets are handled in the same way as for Branded Consumer Goods (see above).

### Changes in the STI programme for 2022:

Orkla's Board of Directors has adopted some minor changes in the STI programme for 2022. For Branded Consumer Goods and Corporate Functions, the financial targets will be the same as for 2021, i.e. organic growth and EBIT achievement (adjusted) will remain key elements. For the Consumer & Financial Investments business area, a slightly greater degree of flexibility has been introduced, since the underlying companies are at different stages which necessitate different approaches.

For 2022, Consumer & Financial Investments will have the following bonus model:

- For the companies in this business area:
  - quantitative financial and/or operational elements (80 per cent weight):  
In this connection, different elements can be defined for the different companies. For each element, ambitious targets linked to bonus achievement must be defined.
  - Individual targets (20 per cent weight)
- For the management team of this business area:
  - portfolio growth and structural agenda – qualitative elements (80 per cent weight)
  - individual targets (20 per cent weight)

**The calculation of the bonus outcome has changed**

The bonus outcome for 2021 was calculated on the basis that achievement of the predefined, ambitious target entitled the participant to half of the maximum bonus for the relevant financial and quantitative bonus element. The outcome range was equal below and above the defined target. Because the target for the aggregate bonus is in the order of 30–35 per cent of salary, this method made it necessary to define such ambitious targets that they were normally not attained. For 2022, this method has been changed: The defined targets are somewhat less ambitious and are now closer to what are defined as budget and STP targets. At the same time, the quantification of the bonus has been changed. Achievement of targets now results in a bonus equivalent to 30 per cent of salary. The outcome range below and above the defined target will be the same as in 2021, but the bonus outcome will increase slightly more for performances that exceed the defined target than for below-target performances (broken curve).



# STI-bonus for Group Executive Board for 2020 (paid out in 2021):

## STI programme for Corporate Functions

Name	Criteria	Maximum achievable	Achieved 2020	Total bonus incl. individual assessments	Basic salary 31.12.2020	Bonus 2020 in NOK 1 000
Semlitsch, Jaan Ivar	Organic growth BCG area	25.0%	6.9%	51.4%	8 000	4 112
	EBIT (adj.) BCG area	25.0%	10.4%			
	Orkla share price performance	25.0%	9.1%			
	Improvement in current capital	10.0%	10.0%			
Ullevoldsæter, Harald	Organic growth BCG area	25.0%	6.9%	48.9%	3 100	1 516
	EBIT (adj.) BCG area	25.0%	10.4%			
	Orkla share price performance	25.0%	9.1%			
	Improvement in current capital	10.0%	10.0%			
Grönberg, Christer	Organic growth BCG area	25.0%	6.9%	48.9%	3 119	1 525
	EBIT (adj.) BCG area	25.0%	10.4%			
	Orkla share price performance	25.0%	9.1%			
	Improvement in current capital	10.0%	10.0%			
Prytz, Sverre	Organic growth BCG area	25.0%	6.9%	48.9%	2 950	1 443
	EBIT (adj.) BCG area	25.0%	10.4%			
	Orkla share price performance	25.0%	9.1%			
	Improvement in current capital	10.0%	10.0%			

### STI programme for BCG area

Name	Criteria	Maximum achievable	Achieved 2020	Total bonus incl. individual assessments	Basic salary 31.12.2020	Bonus 2020 in NOK 1 000
Freuchen, Ann-Beth Nina J.	Organic growth BCG area	40.0%	24.0%	59.9%	3 520	2 108
	EBIT (adj.) BCG area	20.0%	15.4%			
	Orkla share price performance	20.0%	8.0%			
	Improvement in current capital	10.0%	10.0%			
Nagel Johansen, Atle Vidar	Organic growth BCG area	40.0%	40.0%	73.6%	3 930	2 892
	EBIT (adj.) BCG area	20.0%	18.6%			
	Orkla share price performance	20.0%	0.0%			
	Improvement in current capital	10.0%	10.0%			
Hauan Fladby, Jeanette	Organic growth BCG area	40.0%	5.0%	28.0%	3 022	846
	EBIT (adj.) BCG area	20.0%	6.0%			
	Orkla share price performance	20.0%	2.0%			
	Improvement in current capital	10.0%	10.0%			
Clarín, Johan	Organic growth BCG area	40.0%	0.0%	25.0%	3 444	861
	EBIT (adj.) BCG area	20.0%	0.0%			
	Orkla share price performance	20.0%	1.0%			
	Improvement in current capital	10.0%	9.0%			

### STI programme for Consumer & Financial Investments

Name	Criteria	Maximum achievable	Achieved 2020	Total bonus incl. individual assessments	Basic salary 31.12.2020	Bonus 2020 in NOK 1 000
Haavet, Kenneth	Performance Care Development	30.0%	24.0%	57.1%	2 950	1 544
	Performance Out of Home	20.0%	15.4%			
	Financial investments	10.0%	8.0%			
	Improvement in current capital	10.0%	10.0%			

# STI-bonus for Group Executive Board for 2021 (to be paid out in 2022):

## STI programme for Corporate Functions

Name	Criteria	Maximum achievable	Achieved 2020	Total bonus incl. individual assessments	Basic salary 31.12.2020	Bonus 2021 in NOK 1 000
Semlitsch, Jaan Ivar	Organic growth BCG area	25.0%	15.5%	36.7%	8 171	2 999
	EBIT (adj.) BCG area	25.0%	0.0%			
	Orkla share price performance	25.0%	2.2%			
Ullevoldsæter, Harald	Organic growth BCG area	25.0%	15.5%	36.7%	3 189	1 170
	EBIT (adj.) BCG area	25.0%	0.0%			
	Orkla share price performance	25.0%	2.2%			
Grönberg, Christer	Organic growth BCG area	25.0%	15.5%	36.7%	3 189	1 170
	EBIT (adj.) BCG area	25.0%	0.0%			
	Orkla share price performance	25.0%	2.2%			
Prytz, Sverre	Organic growth BCG area	25.0%	15.5%	36.7%	3 010	1 105
	EBIT (adj.) BCG area	25.0%	0.0%			
	Orkla share price performance	25.0%	2.2%			

### STI programme for BCG area

Name	Criteria	Maximum achievable	Achieved 2021	Total bonus incl. individual assessments	Basic salary 31.12.2021	Bonus 2020 in NOK 1 000
Brekke, Hege Holter	Organic growth own area	40.0%	6.0%	26.0%	3 020	785
	EBIT (adj.) own area	40.0%	0.0%			
Nagel Johansen, Atle Vidar	Organic growth own area	40.0%	6.0%	26.0%	4 043	1 051
	EBIT (adj.) own area	20.0%	0.0%			
T. Berg, Ingvill	Organic growth own area	40.0%	15.3%	30.3%	2 900	879
	EBIT (adj.) own area	20.0%	0.0%			
Clarín, Johan	Organic growth own area	40.0%	40.0%	55.0%	3 521	1 937
	EBIT (adj.) own area	20.0%	0.0%			

### STI programme for Consumer & Financial Investments

Name	Criteria	Maximum achievable	Achieved 2021	Total bonus incl. individual assessments	Basic salary 31.12.2021	Bonus 2021 in NOK 1 000
Haavet, Kenneth	EBIT (adj.) Consumer Portf.	50.0%	30.4%	55.4%	3 010	1 667
	Defined qualitative targets	30.0%	12.5%			

**Long-term incentive programme (LTI programme)**

In 2020 Orkla introduced a share option-based LTI programme that replaced the previous cash-based LTI programme.

Options are allocated partly on the basis of position (estimated option value equivalent to 15 per cent of basic salary), partly on the basis of a discretionary assessment of the achievement of predefined long-term targets (maximum estimated option value equivalent to 15 per cent of basic salary), and a discretionary assessment of the achievement of targets linked to sustainability (maximum estimated option value equivalent to 5 per cent of basic salary). Targets linked to sustainability are set and evaluated by the Board of Directors. On this basis, the outcome for participants will be an option value ranging from 15 to 35 per cent of basic salary, depending on performance. The option value will be calculated in accordance with the Black-Scholes model).

Predefined long-term targets shall preferably be linked to

- profitable organic growth
- innovation and increased market shares
- sustainability as a growth factor
- structural growth in prioritised categories and geographical areas
- establishment of a cost-effective organisation and realisation of synergies
- development of staff and collaborative relationships

Options are allocated once a year. The first allocation was made in 2021. Allocations are based on the share price on the day after the Annual General Meeting. Every year, the Board of Directors decides how many share options are to be allocated to each member of the Group Executive Board. Options

allocated to the Group Executive Board may not be exercised until three years after the allocation date, and allocated options must be exercised no later than five years after the allocation date. After five years, the options expire.

The exercise price is set at the market price on the allocation date, plus 3 per cent per year during the vesting period. The exercise price is adjusted to take account of dividends. All unexercised options expire in the event of an employee's resignation.

The gain on options allocated in a given year may not exceed six times the value of allocated options on the allocation date, calculated in accordance with the Black-Scholes model. If a participant is allocated options with an estimated option value equivalent to 30 per cent of his or her basic salary, the maximum gain in such case cannot exceed 180 per cent of his or her basic salary.

The Group Executive Board must use 25 per cent of the gross gain from exercising options to purchase Orkla shares. Purchased shares are subject to a three-year lock-in period. Other participants are expected to use part of their gross gain to purchase Orkla shares.

Payouts from the LTI programme in 2021 were made in accordance with the previous cash-based programme. Allocations were last made to participants in the previous programme in May 2020. Payouts from these allocations will be made as follows: 1/3 in 2022, 1/3 in 2023 and 1/3 in 2024. The amount allocated will be adjusted in accordance with the Orkla share price performance from the date after the Annual General Meeting in 2020 until the payout dates.



### Options allocated in 2021 and total options

Position	Name	Allocation	Salary	Value of allocation	Value per share option	Number of options allocated	Allocation date	First exercise date	Expiry date	Strike price for options
President & CEO	Jaan Ivar Semlitsch	30%	8 171 000	2 451 300	13.5642	180 718	16.4.2021	16.4.2024	16.4.2026	kr 89.67
EVP Orkla Care	Atle Vidar Nagel Johansen	30%	4 042 900	1 212 870	13.5642	89 416	16.4.2021	16.4.2024	16.4.2026	kr 89.67
EVP Group Functions	Christer Grönberg	30%	3 182 600	954 780	13.5642	70 389	16.4.2021	16.4.2024	16.4.2026	kr 89.67
EVP & CFO	Harald Ullevoldsæter	30%	3 188 000	956 400	13.5642	70 509	16.4.2021	16.4.2024	16.4.2026	kr 89.67
EVP Orkla Care	Hege Holter Brekke	30%	3 020 000	906 000	13.5642	66 793	16.4.2021	16.4.2024	16.4.2026	kr 89.67
EVP & CEO OCS	Ingvill T. Berg	30%	2 900 000	870 000	13.5642	64 139	16.4.2021	16.4.2024	16.4.2026	kr 89.67
EVP & CEO OFI	Johan Clarin	30%	3 514 800	1 054 440	13.5642	77 736	16.4.2021	16.4.2024	16.4.2026	kr 89.67
CEO Orkla Investments	Kenneth Haavet	30%	3 009 900	902 970	13.5642	66 570	16.4.2021	16.4.2024	16.4.2026	kr 89.67
EVP M&A & Strategy	Sverre Prytz	30%	3 009 900	902 970	13.5642	66 570	16.4.2021	16.4.2024	16.4.2026	kr 89.67
<b>Total</b>				<b>10 211 730</b>		<b>752 840</b>				

Position	Name	Number of options at start of year	Number vested for exercise 1.1.2021	Options allocated in 2021	Number vested for exercise 31.12.2021	Number of options allocated as at 31.12.2021
President & CEO	Jaan Ivar Semlitsch	0	0	180 718	0	180 718
EVP Orkla Care	Atle Vidar Nagel Johansen	0	0	89 416	0	89 416
EVP Group Functions	Christer Grönberg	0	0	70 389	0	70 389
EVP & CFO	Harald Ullevoldsæter	0	0	70 509	0	70 509
EVP Orkla Care	Hege Holter Brekke	0	0	66 793	0	66 793
EVP & CEO OCS	Ingvill T. Berg	0	0	64 139	0	64 139
EVP & CEO OFI	Johan Clarin	0	0	77 736	0	77 736
CEO Orkla Investments	Kenneth Haavet	0	0	66 570	0	66 570
EVP M&A & Strategy	Sverre Prytz	0	0	66 570	0	66 570
<b>Total</b>				<b>752 840</b>		<b>752 840</b>

## Annual changes in Group Executive Board remuneration and the company's results for the last five financial years

Group Executive Board			2021			2020			2019			2018			2017		
Name	Position	Period on Group Executive Board	Total remuneration <sup>1</sup>	Annual change <sup>2</sup>	Variable portion	Total remuneration	Annual change	Variable portion	Total remuneration	Annual change	Variable portion	Total remuneration	Annual change	Variable portion	Total remuneration	Annual change	Variable portion
Jaan Ivar Semlitsch	President and CEO	15.8.2019 - 31.12.2021	15 910	-4.9%	34.3%	16 721	11.1%	40.4%	5 645	-	32.3%						
Harald Ullevoldsæter	CFO	1.3.2020 - 31.12.2021	6 209	0.2%	34.2%	6 194	-	41.0%									
Christer Grönberg	EVP Group Functions	1.10.2018 - 31.12.2021	6 743	-1.7%	30.6%	6 859	5.4%	38.1%	6 506	23.7%	36.5%	5 260	-	24.6%			
Kenneth Haavet	EVP Cons. & Fin. Inv.	1.2.2020 - 31.12.2021	6 402	-0.6%	40.1%	5 905	-	42.6%									
Atle Vidar Nagel Johansen	EVP Orkla Foods	1.6.2012 - 31.12.2021	8 468	-13.1%	31.0%	9 742	15.6%	43.0%	8 428	20.0%	35.1%	7 021	-1.4%	22.4%	7 121		-23.4%
Hege Holter Brekke	EVP Orkla Care	14.1.2021 - 31.12.2021	5 551	-	30.5%												
Sverre Prytz	EVP Strategy & M&A	1.12.2019 - 31.12.2021	5 862	-4.6%	34.3%	6 128	26.7%	39.4%	403	-	23.8%						
Ingvill T. Berg	EVP Orkla Conf. & Snacks	14.1.2021 - 31.12.2021	5 570	-	33.8%												
Johan Clarin	EVP Orkla Food Ingredients	1.9.2013 - 31.12.2021	7 144	8.4%	31.1%	6 593	-2.9%	31.0%	6 792	16.7%	34.5%	5 822	-0.8%	24.5%	5 866	-	29.6%
Former members:																	
Terje Andersen (period 1)	CFO/EVP Financial Investments	1.1.2005 - 30.9.2018										6 420	Final settlement		7 085	-	35.4%
Terje Andersen (period 2)	Interim President and CEO	7.5.2019 - 1.2.2020				6 916	Final settlement		7 676	-	30.2%						
Ann-Beth Freuchen	EVP Orkla Foods N&B / Conf.& S.	1.7.2015 - 14.1.2021	10 458	Final settlement		8 083	14.3%	40.5%	7 071	6.4%	33.4%	6 645	-1.6%	34.4%	6 752	-	40.8%
Jeanette Hauan Fladby	EVP Orkla Conf. & Snacks	1.10.2018 - 14.1.2021	7 597	Final settlement		5 892	-4.5%	31.3%	6 171	39.6%	38.7%	4 422	-	27.9%			
Jens Staff	CFO	1.6.2014 - 29.2.2020				4 419	Final settlement		6 501	17.8%	32.9%	5 520	-5.8%	23.6%	5 862	-	29.1%
Peter A. Ruzicka	President and CEO	1.2.2014 - 7.5.2019				6 871	Final settlement		16 456	Final settlement							
Johan Wilhelmsson	EVP Orkla Foods International	1.10.2018 - 14.1.2021				7 405	28.2%	43.6%	5 775	1.1%	32.7%	5 712	-	37.6%			
Karl Otto Tveter	EVP Group Functions & Legal	1.2.2012 - 30.11.2019							5 260	Final settlement		5 829	-5.7%	23.9%	6 184	-	29.9%
Stig Ebert Nilssen	EVP Orkla Care	1.4.2013 - 1.2.2019										6 308	-5.9%	23.6%	6 705	-	32.6%
Pål Eikeland	EVP Orkla Food Ingredients	1.6.2012 - 3.4.2018										5 689	Final settlement		4 935	-	14.7%
<b>Financial results</b>			2021			2020			2019			2018			2017		
Organic growth			4.3%			1.6%			1.3%			-0.2%			1.6%		
EBIT (adj.) (mill. NOK)			6 145			5 492			5 088			4 777			4 635		
Earnings per share (NOK)			4.82			4.37			3,84			3,24			8.43		
<b>Annual change in earnings per share</b>			<b>10.5%</b>			<b>13.8%</b>			<b>18.5%</b>			<b>-61.6%</b>			<b>99.8%</b>		
<b>Average remuneration of Orkla ASA employees</b>			2021			2020			2019			2019			2017		
Average number of full-time employees throughout year			20 074			17 656			17 622			17 667			17 705		
Average personnel cost (1000 NOK)			454			508			465			438			427		
<b>Annual change in average remuneration in Orkla ASA</b>			<b>-10.6%</b>			<b>9.2%</b>			<b>6.3%</b>			<b>2.4%</b>			<b>-</b>		

1 Total remuneration means the sum total of salary and holiday pay paid, earned pension for the year, earned STI for the year, earned LTI for the year and benefits in kind. Figures stated for actual period of employment at Orkla.

2 Annual change is calculated on the basis of recalculated figures for the full year if the executive was employed at Orkla for parts of the year.

### The Group Executive Board's holdings of Orkla shares

The Group Executive Board participates in Orkla's employee share purchase programme, which is offered to most Orkla employees on a global basis. In 2021, the employees were offered three different purchase options (before discount): NOK 30 000, NOK 15 000 and NOK 10 000. The discount was 25 per cent, and the shares were subject to a three-year lock-in period.

All members of the Group Executive Board chose the highest purchase amount. Based on the closing price on the last day of the order period, this meant a purchase of 344 Orkla shares.

### Holdings of Orkla shares

Position	Name	Shareholding 31.12.2020	Purchases 2021	Sales 2021	Shareholding 31.12.2021
President & CEO	Jaan Ivar Semlitsch	52 827	32 344	0	85 171
EVP Orkla Care	Atle Vidar Nagel Johansen	28 106	344	0	28 450
EVP Group Functions	Christer Grönberg	8 626	7 844	0	16 470
EVP and CFO	Harald Ullevoldsæter	1 208	344	0	1 552
EVP Orkla Care	Hege Holter Brekke	4 621	2 444	0	7 065
EVP & CEO OCS	Ingvill T. Berg	821	1 544	0	2 365
EVP & CEO OFI	Johan Clarin	4 397	1 844	0	6 241
CEO Orkla Investments	Kenneth Haavet	327	6 844	0	7 171
EVP M&A and Strategy	Sverre Prytz	327	344	0	671

## Remuneration of employee-elected Board representatives

### Employee-elected Board representatives

Amounts in NOK	Salary and holiday pay paid 2021	Board fee	Benefits in kind	Pension costs	Total remuneration
Terje Utstrand	727	565	6	34	1 332
Roger Vangen	581	454	6	31	1 072
Sverre Josvanger	643	580	6	29	1 257
Karin Hansson <sup>1</sup>	388	454	4	29	875

<sup>1</sup> Salary, benefits in kind and pension agreed in SEK, but translated to NOK based on average annual rate of exchange.

### Right to claim repayment of variable remuneration

There were no grounds to claim repayment of variable remuneration in 2021, so Orkla has had no need to apply any repayment provisions in connection with the STI or LTI programmes.

### Departures from the guidelines

In 2021 we found no reason to depart from the applicable conditions set out in the guidelines adopted by the General Meeting in 2021. The decision-making processes for establishment, approval and implementation, which are described in the adopted guidelines, have been followed.

## Independent auditor's assurance report on report on salary and other remuneration to directors

### To the General Meeting of Orkla ASA

#### Opinion

We have performed an assurance engagement to obtain reasonable assurance that Orkla ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31. December 2021 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 as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and 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.

Oslo, 16 March 2022

**Ernst & Young AS**

**Petter Larsen**

State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

