

EUOPRIS ASA

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

1. General

This declaration is prepared by the board of directors of Europris ASA (“Europris”) in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act (the “Companies Act”), for consideration at the annual general meeting on 23 May 2018.

Principles in this declaration regarding the allocation of shares, subscription rights, options and any other form of remuneration stemming from shares or the development of the official share price in the company or in other group companies are binding on the board of directors when approved by the general meeting. Such guidelines are described in section 3.2. 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.

2. The main principles of the company's remuneration policy for executive management personnel

Executive management pay in Europris and group companies shall be determined on the basis of the following main principles.

2.1 Management remuneration shall be competitive, but not leading

Executive management remuneration shall, as a general guideline, be tailored to attracting and retaining skilled leaders. Pay (the sum of all salary and benefits received) should normally be approximately the average for pay in comparable executive management positions in similar businesses in the country where the individual manager resides. When determining management remuneration, proper consideration shall be given to the company's financial position, and the level chosen shall be defensible from the company's perspective.

2.2 Management remuneration should be motivational

Remuneration for the executive management should be structured to motivate such employees to strive to improve operations and the company's results. The main element in management remuneration should be regular pay, although additional variable incentives should be available to motivate the executive management’s efforts on behalf of the company. Variable benefits should be reasonably proportional to the company's results during the year in question. If the variable benefits are to incentivise additional efforts, the criteria must be linked to factors which the individual manager is able to influence. Europris aspires to have a pay plan based on solidarity within the group which encourages efforts that brings results beyond the individual manager’s sphere of responsibility. A part of the total remuneration may also be related to the price of the company's shares in accordance with section 3.2 of this declaration.

2.3 The remuneration system should be flexible, permitting adjustments as needs change

To be able to offer competitive remuneration, Europris must have a flexible pay system which can accommodate special solutions.

3. Principles for benefits which can be offered in addition to regular pay

The basis for fixing executive management pay is the aggregate level of a manager's regular salary and other benefits. This level is to be competitive, but not leading. Regular pay should normally be the main element of the manager’s remuneration. Where any variable remuneration is concerned, specific maximum amounts for the relevant recipient should be fixed at the time the remuneration is determined.

The following refers to the individual benefits which may be granted in addition to regular pay. Unless specifically mentioned, no special terms, conditions or allocation criteria apply to the benefits mentioned.

3.1 Additional benefits

3.1.1 Bonus scheme

The company may establish a bonus scheme for the executive management. Any such schemes should be reviewed at least annually. Bonus schemes should be tied to the financial performance of Europris and other factors which the individual manager is able to influence.

Europris has established a bonus scheme for the executive management, which is based on financial and operational performance. The maximum bonus under this scheme is 11 months of gross base pay for the CEO and six months of gross base pay for other executive personnel. The bonus payment is included in the basis for calculating holiday pay, but not in the basis for calculating pension.

Bonus schemes related to shares or share price trends are dealt with under section 3.2.

3.1.2 Pension plans and insurance

The company has established an occupational pension scheme in accordance with the Norwegian Occupational Pensions Act. The executive management may be covered by an additional individual pension scheme based on an annual financial contribution.

The company may sign early retirement agreements for executive management.

3.1.3 Severance schemes

The company's chief executive officer ("CEO") should normally have an agreement which takes into account the company's possible need to ask the CEO to leave immediately if this is considered to be in the company's best interest. The severance scheme must be attractive enough for the CEO to accept an agreement involving a reduction in their protection against dismissal.

Agreements may be signed regarding severance pay with other members of the executive management in order to meet the company's need to ensure at all times that the selection of senior executives is in line with its requirements. Efforts will be made to establish severance schemes in such a way that they are acceptable both internally and externally. In addition to pay and other benefits during the period of notice, such schemes are not to provide any entitlement to severance pay for a period exceeding 12 months.

3.1.4 Benefits in kind

Executive management may be offered benefits in kind which are common for comparable positions, such as free phone, home PC, free broadband, newspapers, company car/car scheme and parking. No particular limitations apply to the types of benefits in kind which can be agreed.

3.2 Binding principles for options and other types of benefits related to shares or share price trends

The company may grant the executive management remuneration related to the price of the company's shares. The board of directors is mandated to determine further terms and conditions for such remuneration up to a maximum of 100 per cent of the annual bonus as described in section 3.1.1.

With effect from 1 January 2016, the bonus described in section 3.1.1 was linked to the development of the Europris share price, and the payment will be adjusted accordingly by the end of the fiscal year. The payment for 2018, for example, will be increased by 20 per cent if the share price rises by 20 per cent during 2018. The bonus increase will be in line with the share price rise up to the maximum of 100 per cent of the annual bonus as described above. Should the share price have fallen, the bonus will be reduced accordingly.

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

It is a policy of the group to offer the executive management competitive remuneration based on current market standards as well as company and individual performance. The agreements entered into with executive management during fiscal 2017 are in accordance with the principles for determining executive management pay and remuneration as approved by the general meeting in 2017. All bonus payments for the executive management must be approved by the compensation committee. No member of the executive management will receive any bonus payment for fiscal 2017. For further information on executive remuneration, please refer to note 7 to the annual financial statements.

The board of directors has not identified any significant negative consequences resulting from agreements on pay and remuneration in 2017, and believes that the guidelines for share-based bonuses promote value creation for the group and that the impact they have on the company and the shareholders is positive.

Oslo, 18 April 2018

The board of directors of Europris ASA