



SCATEC SOLAR ASA

THE BOARD OF DIRECTORS' DECLARATION ON DETERMINATION OF SALARIES AND OTHER REMUNERATION FOR EXECUTIVE MANAGEMENT 2017

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 24 April 2017.

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 seven individuals, for the financial year 2017 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 personnel

Executive Management salaries 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 salaries should be the regular 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 fixed 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, and (iii) that the plan is



approximately the average for management salaries for comparable Executive Management in similar businesses.

Additional benefits

3.1.1 Short Term Incentive - Bonus scheme

The members of the Executive Management forgave any variable bonus for the financial year 2016 as part of the restricted share award granted to the Executive Management in 2014.

As part of the new incentive and retention plan in effect from 2016, the Executive Management will be invited to participate in 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 fixed salary.

3.1.2 Long Term Incentive – Option Program

The Company has in 2016 implemented a share option plan (the “**Option Plan**”) whereby the Executive Management and certain of the Company's key employees (hereunder unused allocation to future 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 Options will be granted over a three year period and will vest linear over a five year period (subject to employment at time of vesting). The options will have no value if the share price is reduced post the grant date. The Option Plan was presented to the annual general meeting on 4 May 2016 and approved.

In October 2016, the Executive Management were awarded in aggregate 492 000 options, with such individual allocation as set out in section 4 below, each option at an exercise price of NOK 29,57 and vesting in three equal tranches on 1 January 2018, 1 January 2019 and 1 January 2020.

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.

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. Each year Scatec Solar will pay a contribution in accordance with the following plan: 7% of salary between 0G and 7,1G, 20% of salary between 7,1G and 12G (G pr. 01.05.16: 92 576).

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.



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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 wages 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

2016 (NOK THOUSAND)	TITLE	SALARY	NUMBER OF OPTIONS AWARDED	OTHER BENEFITS	PENSION COSTS	LOANS OUTSTANDING
RAYMOND CARLSEN	CHIEF EXECUTIVE OFFICER	2,785	116	12	143	-
MIKKEL TØRUD	CHIEF FINANCIAL OFFICER	2,155	90	11	139	1,501
SNORRE VALDIMARSSON	EVP GENERAL COUNSEL	1,595	67	12	139	1,471
TERJE PILSKOG	EVP PROJECT DEVELOPMENT & PROJECT FINANCE	1,876	78	11	140	1,413
ROAR HAUGLAND	EVP PEOPLE DEVELOPMENT & SUSTAINABILITY	1,587	67	11	146	1,413
TORSTEIN BERNTSEN	EVP POWER PRODUCTION AND ASSET MANAGEMENT	1,779	74	14	143	1,413
PÅL HELSING	EVP SOLUTIONS	1,735	-	6	141	-

* Number of options awarded in thousand, not NOK thousand

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 salary policy as carried out in the financial year 2016 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, 20 March 2017
The Board of Directors of Scatec Solar ASA