

## **INSTRUCTIONS FOR THE BOARD'S COMPENSATION AND EXECUTIVE DEVELOPMENT COMMITTEE**

### **EQUINOR ASA**

*(Adopted by the board of directors on 6 May 2020)*

#### **1 OBJECTIVE**

The Compensation and executive development committee (the Committee) will assist the board of directors in its work relating to the terms of employment for Equinor's CEO and the main principles and strategy for the remuneration and leadership development of senior executives in Equinor.

#### **2 MAIN RESPONSIBILITIES**

The main responsibilities of the Committee are:

- As a preparatory body for the board, make recommendations to the board on all matters relating to:
  - executive reward principles and framework
  - remuneration strategies and concepts
  - the CEO's contract and terms of employment
  - leadership development, assessments and succession planning.
- To be informed about and advise the company's management in its work on:
  - the further development of Equinor's remuneration strategy for senior executives
  - drawing up remuneration policies that are consistent internally and competitive externally, for the purpose of attracting, retaining and rewarding the CEO and other senior executives for achieving financial goals and goals relating to safety, security, climate and energy transition, values and management behaviour.
- To review Equinor's remuneration policies in order to safeguard the owners' long-term interests and regularly assess remuneration trends and new policies relating to the remuneration of senior executives.

#### **3 TASKS**

The Committee is charged with the following tasks:

##### **3.1. Recommendations to the board of directors**

- a) The CEO's contract and terms of employment, when applicable:
  - Propose a process for the appointment of a new CEO
  - Consider a new employment contract or modifications to the current contract for the CEO

- Draw up an annual performance contract for the CEO containing requirements relating to:
    - Goals in accordance with the board's ambitions for the business
    - Management requirements in accordance with the company's corporate values and the requirements specified for the position
    - Further development of the CEO's own management behaviour and qualifications.
  - Conduct an annual assessment of the CEO's performance and compare it with the established performance contract.
  - Carry out an annual assessment of the content and amount of the total remuneration of the CEO and, if applicable, propose changes to the board.
  - Consider and, if applicable, propose a severance package for the CEO.
- b) Review of management development and succession planning prior to discussions in the board.
- c) The Committee will also assess new and/or amended remuneration strategies and policies that are to be decided on by the board or which the management submits to the board prior to the decision of the CEO.
- d) Annually recommend to the board application of the threshold for variable pay.

### **3.2. Information/ advisory matters**

- a) New employment contracts or changes to existing standard contracts for personnel who report directly to the CEO, prior to the decision of the CEO.
- b) Annual salary assessments and payment of variable pay to persons who report to the CEO, prior to the decision of the CEO.
- c) Consideration of the salary and other terms and conditions for the senior vice president for Corporate Audit, prior to the decision of the CEO.
- d) Consideration of severance pay, if applicable, for personnel who report to the CEO, prior to the decision of the CEO.
- e) Review Equinor's remuneration policy for senior executives and share schemes for employees in order to assess whether they are in accordance with the company's remuneration strategy.

### **3.3. Other matters**

- a) Consider what is to be included in Equinor's annual report regarding the remuneration of executives and remuneration policies.
- b) Other important personnel matters relating to executives and other people policy matters of an unusual nature or matters that may entail a particularly high risk to the company's reputation should be submitted to the Committee.
- c) The Committee will conduct an annual assessment of its own work and these instructions.

## **4 COMPOSITION**

The Committee will consist of up to five board members, none of whom may have ties which, in the view of the board, could affect the impartiality of the member's assessments. The Committee will be chaired by the chair of Equinor's board of directors or another board member subject to decision by the board.

## **5 MEETINGS**

The Committee will normally meet six times a year. Further meetings will be held at the request of The Committee or the chair of The Committee.

Equinor's senior vice president People and Leadership (PL) will, in consultation with the chair of the Committee, draft the agenda and will normally participate at the meetings. The CEO participates at the Committee's meetings as required. The company secretariat is responsible for the secretariat function of the Committee and shall ensure that minutes are taken from the meetings.

Minutes of Committee meetings will be sent to the board of directors.

## **6 AUTHORISATIONS**

The Committee will have the authorisations and resources required to carry out its duties, including the authority to hire any external expertise the Committee finds necessary.

## **7 THE COMMITTEE'S RELATIONSHIP TO THE BOARD OF DIRECTORS**

The Committee is answerable to the board of Equinor ASA alone for the performance of its duties. The work of the Committee in no way alters the responsibilities of the board of directors or the individual board members.