

Treasure ASA

Remuneration report 2021

Remuneration report

Treasure ASA

STATEMENT FROM THE BOARD

The board has developed Remuneration guidelines according to the Norwegian Public Limited Liability Companies Act (Companies Act) §6-16a and b. The guidelines will be presented to the Annual General Meeting for approval 15 March 2022.

Salary to senior executives

Treasure ASA does not have any employees and has a service level agreement with the majority shareholder, Wilh. Wilhelmsen Holding ASA, supplying senior management (defined as CEO and CFO) and shared services (accounting, financial reporting, internal control, and communications).

In 2021, the service agreements amounted to NOK 1.8 million. The fee is based on market terms, using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines. For the past three years, 52% of the fee has been covering management for hire, while 48% has been related to reporting and control and other administrative support.

The management fee is flat and independent of the financial development of the company.

The board is of the opinion that the fee for the service agreement is prudent given the time and resources spent to develop and follow up the company.

Financial performance indicators

The primary focus for Treasure ASA is managing the shareholding in Hyundai Glovis. Given that the company's main source of income is the dividend from Hyundai Glovis and that the company's fundamental objective is to generate significant total shareholder returns, total income and dividend paid are key financial performance indicators.

The below tables show development in the management fee, broken down by senior management and other services, compared with development in key financial indicators, table 1 in % and table 2 in actual figures.

	2021-2020	2020-2019	2019-2018	2018-2017	2017-2016*
Service level agreement components					
Magnus Sande, CEO (18%)	1.70%	6.70%	0%	0%	NA
Morten Lertrø, CFO (34%)	1.70%	3.40%	195%	0%	NA
Other services (48%)**	1.70%	4.20%	NA	(50%)	NA
Financial performance indicators					
Total income	(1.9%)	3.10%	6.00%	6.20%	NA
Profit(loss) before tax***	(147.5%)	331.40%	222.80%	(67.70%)	NA
Profit(loss) for the year***	(148.9%)	346.80%	212.00%	(66.50%)	NA
Dividend paid****	275%	33.30%	0%	(68.40%)	NA
Employees					
No of full-time employees	0	0	0	0	0

Table 1 Service level components and financial figures for the company (increase/decrease in %, negative development indicated by brackets)

	2021	2020	2019	2018	2017*
Service level agreement components					
Magnus Sande, CEO (18%) (NOK)	325 440	320 000	300 000	300 000	300 000
Morten Lertrø, CFO (34%) (NOK)	620 370	610 000	590 000	200 000	200 000
Other services (48%)** NOK)	793 260	780 000	748 750	NA	500 000
Financial performance indicators					
Total income (USD)	13.8	14.1	13.7	12.9	12.1
Profit(loss) before tax (USD)***	(102.1)	215.2	49.9	(40.6)	(125.6)
Profit(loss) for the year (USD)***	(104.5)	213.7	47.8	(42.7)	(127.7)
Dividend paid (NOK)****	1.5	0.4	0.3	0.3	0.95

Table 2 Service level components in NOK ex 5% mark up and financial figures for the company in USD less dividend which is indicated in NOK. Negative development in brackets.

- * The company was incorporated in 2016 and listed on the Oslo Stock Exchange 8 June 2016. Given that the company's main source of income is the dividend from Hyundai Glovis, which historically has been paid in the second quarter, the company had limited income in its first year. Further, as the main costs in the company are dividend paid to shareholders of the company, the costs were also limited in the first year of operation. It does not make sense to compare 2016 and 2017, and figures for 2016 and comparing 2016 and 2017 have therefore been left out.
- ** Part of the management fee was not paid in 2018 but incorporated in later years' management fees. Comparing 2017 and 2018 and 2018 and 2019 therefore make limited sense and is left out.
- *** Compared with the figures in 2019, the profit before tax in 2020 included a net change in fair value of the shares in Hyundai Glovis with a gain of USD 201.6 million compared with a gain of USD 37 in 2019. When comparing the figures with 2018, the profit before tax included a net change in fair value of the shares in Hyundai Glovis with a gain of USD 37 million in 2019 and a loss of USD 52.8 million in 2018. When comparing 2017 with 2018, the loss before tax in 2017 included an impairment of the stake of Hyundai Glovis of USD 137.4 million.
- **** The dividend in 2017 included an extra ordinary dividend of NOK 0.65 per share, in addition to the ordinary dividend of NOK 0.30 per share. The dividend in 2021 showed a significant increase due to proceeds from sale of shares in Hyundai Glovis in December 2020.

	2021*	2020	2019	2018	2017	2016**
Remuneration of board members and the nomination committee						
Thomas Wilhelmsen, chair	0	0	0	0	0	NA
Christian Berg	0	0	0	0	0	NA
Benedicte Bakke Agerup	130	100	100			NA
Marianne Hagen	0					NA
Bente Breivik				100	100	NA
Marianne Lie	130	100	100	100	100	NA
Nomination committee	70	60	60	60	60	NA

Table 3 Remuneration of board members and nomination committee (NOK thousand).

- * Remuneration of board members for 2021 will be approved by the Annual General Meeting 15 March 2022.
- ** The company was incorporated in 2016 and listed on the Oslo Stock Exchange 8 June 2016.

Lysaker, 9 February 2022
On behalf of the board

Thomas Wilhelmsen
Chair
(electronically signed)

Auditor's Report



To the General Meeting of Treasure ASA

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

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Treasure ASA 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".

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Auditor's Report



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, 9 February 2022
PricewaterhouseCoopers

Thomas Fraurud
State Authorised Public Accountant

(electronically signed)

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