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FRONTLINE

DIRECTORS' REMUNERATION POLICY

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B. Definitions

Board	The Board of Directors of the Company
Director(s)	(i) any member of the administrative, management or supervisory bodies of the Company; (ii) managing director, and if applicable, the alternate managing director; (iii) other persons who perform functions similar to those performed under point (i) or (ii) and include the CEO For the purposes of this Remuneration Policy, and for the avoidance of any doubt, the term “Director” extends to include the Company’s Executive Officers as herein defined, despite the fact that they are not appointed members of the Board and therefore reference in this Remuneration Policy to Directors shall include Executive Officers unless otherwise provided.
CEO	Chief executive officer
Company	FRONTLINE PLC
Companies’ Law	The Companies’ Law, Cap. 113 as amended from time to time
Executive Officers	Chief Executive Officer
Law	Law on the Encouragement of Long-term Shareholder Engagement 111(I)/2021 as amended from time to time

1. Introduction

1.1. Purpose

The Company is dedicated to adhering to the best corporate governance practices for the purpose of achieving the business strategy of the Company and for the long-term benefit of its shareholders and all other stakeholders. The Company is further committed to encourage long-term shareholder engagement and to enhance transparency and accountability between the Company and all its stakeholders.

The Directors, as the responsible persons for management of the business of the Company, have a crucial role in achieving the above aims of the Company. Therefore, the Company aims at appointing Directors, who have a diversified educational and professional background, in order to reflect a sufficiently wide range of experiences of corporate finance and/or the shipping industry, irrespective of age or gender.

The remuneration of the Directors is considered one of the key instruments in aligning the interests of the Company and those of the Directors in order to keep them incentivized to achieve the objectives of the Company. It is therefore important that the remuneration policy is determined in an appropriate manner by the competent bodies within the Company and that the shareholders have the possibility to express their views regarding the remuneration policy.

The purpose of the present Directors Remuneration Policy (the "**Policy**") is to set out the framework under which the remuneration of Directors is provided by the Company, in order to increase corporate transparency, the accountability of directors, and to enable shareholders, potential investors and stakeholders to obtain a full and reliable picture of the remuneration of each director.

1.2. Scope and applicability

The Policy is prepared in accordance with the Law, the Company's articles of association and the Company's corporate governance practices.

The Company establishes the Policy, and the shareholders have the right to vote for it during a general meeting of the Company. The vote of the shareholders at the general meeting is binding and the Company shall pay any remuneration to the Directors only pursuant to the Policy, as approved by the shareholders at such meeting. For as long as the Policy remains unapproved, the Company shall continue to pay the Directors' remuneration on the basis of its existing established practices.

The Company shall draw up a clear and understandable remuneration report, providing a comprehensive overview of the remuneration, including all benefits in whatever form, awarded or due during the most recent financial year to individual directors, including to newly recruited and to former directors, in accordance with this Remuneration Policy and the Law.

1.3. Board of Directors

As per the applicable legislation and the Articles of Association of the Company, the minimum number of Directors shall be not less than two and the maximum number shall be limited to seven.

The Board of Directors is comprised of non-executive directors only who are responsible for overseeing the management of the Company, which is led by the CEO. The Board considers this to be an appropriate governance and management structure.

The Board of Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit, subject to the relevant rules of any stock exchange, as applicable.

Pursuant to the Articles of Association of the Company, the following committees shall be constituted by the Board of Directors:

(a) Nomination Committee
(b) Remuneration Committee
(c) Audit Committee

Nomination Committee: The committee is responsible for identifying and recommending potential candidates to become Board members and recommending directors for appointment to the Board Committees.

Remuneration Committee: The committee is responsible for establishing the Executive Officer's compensation and benefits.

Audit Committee: The Committee is responsible for overseeing the quality and integrity of the financial statements, accounting, auditing and financial reporting practices, compliance with legal and regulatory requirements, independent auditor's qualification, independence and performance of the internal audit function of the Company.

The Articles of Association of the Company, which are available on the Company's website, govern the operation of the Committees and provide more details to that extent.

2. Policy

2.1. Determining the Policy

The Company seeks to fairly award the Directors for their services to the Company and for any other service they perform for the benefit of the Company in order to attract, retain and motivate the personnel required for this purpose. When determining the remuneration of the Directors, whether fixed or variable, the Company takes into consideration the following factors:

i. Long-term strategy, interest and sustainability of the Company;
ii. Competitiveness and market trends for similar positions and duties;
iii. Professional experience and seniority of each Director;
iv. Responsibilities and duties of each Director;
v. Professional knowledge and skills of each Director;
vi. Academic and professional qualifications;
vii. Performance by each Director;
viii. Time devoted to the affairs of the Company by each Director;
ix. Financial results of the Company for any remuneration which is not fixed in advance;
x. Applicable laws and regulations;

The remuneration of the Directors participating on the Board, other than the remuneration of the CEO, shall from time to time be determined by the Company in general meeting. In the absence of a determination to the contrary in general meeting, such remuneration shall be deemed to accrue from day to day.

The remuneration of the CEO is determined by the Board of Directors, and it is agreed on a contractual basis with the CEO. The remuneration is reviewed annually by the Board of Directors and it is adjusted accordingly if required.

2.2. Forms of Remuneration

2.2.1. Fixed Remuneration

Each Director of the Company, other than an executive director who may be appointed from time to time, receives an annual fixed fee as remuneration for the services rendered under its capacity as a Director, which is determined based on the factors described above. The level of annual fixed fee is proposed by the Board of Directors at the Annual General Meeting.

The CEO receives a base salary for any executive services provided. The CEO is also entitled to pension, which is reviewed annually by the Board of Directors to ensure that it is aligned with the overall objectives of the Company's remuneration.

In addition, the Directors who participate in the Audit Committee receive an additional fee for their services.

If a member of the Board of Directors is instructed to take on a specific ad hoc task that falls outside the scope of that member’s ordinary duty, that member may be offered an additional fee for the work carried out in relation to such task, subject to the approval of the Board of Directors.

2.2.2. Variable Remuneration

The Directors are also entitled to variable remuneration. The objective of the variable remuneration is to incentivize the Directors to achieve the short and long targets of the Company, while at the same time reinforces the satisfaction of the Directors and their retention at the Company.

The Board of Directors, as the body responsible for the effective and sustainable management of the Company, has the discretion to award such variable remuneration. The amount of variable remuneration awarded is proportionate to the performance of the Directors and it is aligned to the performance of the Company, and its determination is based on the factors outlined above and the following financial and qualitative performance criteria:

- compliance with internal policies and applicable laws;
- quality of the work performed;
- timely delivery of tasks;
- initiatives taken;
- steps taken by the Director, which contributed to the growth of the Company, including financial results or networking and contacts development;
- teamwork ability;

The variable remuneration is classified as one-year or multi-year variable.

The Company has established an appraisal process, for the assessment of the performance criteria. Taking into account the outcome of the appraisal of any financial or qualitative performance criteria, the risk management and the exposure of the Company to any financial risks, the board of directors has the discretion to decide to award any variable remuneration.

One-year variable includes:

(a) for the CEO only, annual bonuses which have been paid or accrued during the reported financial year. Such bonuses are provided at the discretion of the Board of Directors.
(b) the total fair value of the synthetic options, as calculated based on the difference between the exercise price and market price of the underlying shares on the vesting date, which as a result of the fulfilment of predetermined performance criteria where the time span of the relevant performance criteria did not exceed one year, were granted or offered in previous years but that vested during the reported financial year.

Multi-year variable includes:

The total fair value of the synthetic options, as calculated based on the difference between the exercise price and market price of the underlying shares on the vesting date, which as a result of the fulfilment of a predetermined performance criteria, where the time span of the relevant performance exceeds one year, were granted or offered in previous years but that vested during the reported financial year.

The variable component of the remuneration of the CEO is split between share-based compensation, linked to long-term performance of the Company, along with a cash bonus, linked to the performance of the Company in the year in question.

2.2.3. Option Schemes

The Directors may establish and maintain an employee's share scheme, share option, or share incentive scheme approved by the shareholders, whereby selected employees (including Directors and Executive Officers) are given the opportunity of acquiring shares in the capital of the Company.

In 2021, the Board has approved the grant of synthetic options, being synthetic instruments containing the right to receive payment after becoming vested, to employees and board members as per the rules of the said synthetic option scheme (the "**Scheme**"). The synthetic options will be settled in cash based on the difference between the market price of the Company's shares on the date of exercise and the exercise price. The Scheme remains in effect and without changes since the date of its approval.

In accordance with the Scheme, the Board may, in its discretion, grant an option to the persons eligible under the Scheme within ten years from the date of its adoption by the board. The synthetic options granted shall become exercisable at such time that the Board of Directors may determine with its resolution to grant, provided that such date cannot be earlier than one day after the date of grant or on death of the holder or upon the occurrence of a change of control event. As a matter of practice, on grant, the Board determines the vesting schedule in such a manner so as to act as an incentive to the Directors in the performance of their duties.

2.2.4. Other Benefits

Other benefits payable to the CEO only include the provision of medical and other insurance benefits and bonuses.

The Board of Directors may grant retirement pensions or annuities or other gratuities or allowances on death to the Directors or to the widow of or the dependents of any such Directors in respect of services rendered by any of them to the Company.

Furthermore, the Company may make payments towards insurances or trust in respect of a Director and may include rights in such retirement pensions or annuities or other gratuities or allowances not as a part and independently of the terms of any engagement but upon retirement, resignation or death of a Director as the Board may decide.

The Directors are also entitled, subject to applicable law, to indemnity out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur by reason of any contract entered into or any act done, concurred in or omitted in or about the execution of their duties except such as they shall incur or sustain by or through their own willful act, neglect or default.

2.3. Derogation

The Company in exceptional circumstances may temporarily derogate from the provisions of the Policy provided it is necessary for the long-term interests and sustainability of the

Company as a whole or in order to ensure its viability. The circumstances where the Policy may not be enforced include, inter alia:

(a) where this becomes necessary by operation of any law or regulation or as a respond to any legal or regulatory matters,
(b) essential changes to the operation of the Company or
(c) any circumstance which affects the overall objectives of the Company.

The process for the derogation from any provision of this Policy is that the suggested derogation is presented to the Board of Directors for approval, following consultation with the Remuneration and Audit Committee. The derogation applied shall be included in the respective Remuneration Report issued by the Company.

2.4. Conflicts of Interest

The Directors shall ensure that they avoid any conflict of interests when determining the remuneration of Directors and the Policy in its entirety. They shall always act independently, keep the stakeholders informed and ensure that they disclose any interest they may have in relation to the remuneration.

As a general principle, the Directors shall not be involved with the determination of their remuneration.

As per the Articles of Association of the Company and the Companies Law, the Directors must disclose any interest they may have in a proposed contract (including in relation to the director's employment contracts), whether direct or indirect, and they shall declare such interest at the relevant meeting of the Directors. To ensure the independency of the Board during a Directors' meeting, a Director who is conflicted may not vote on any subject in respect of any abovementioned contract or arrangement and if he does so vote, his vote shall not be counted and shall, also, not be counted in the quorum present at the meeting of the Board of Directors.

Furthermore, as described above, the Remuneration Committee shall consist of independent and non-executive directors in order to avoid any conflicts of interest in relation to the determination of the remuneration.

The procedure of approval of the Policy by the shareholders of the Company, further ensures that the remuneration of the directors is properly disclosed and considered by the shareholders, who will have the opportunity to state any concerns they may have on the matter.

2.5. Duration of Directors' Contracts

For the purpose of employing a CEO, the Company shall enter into an employment agreement providing amongst others for the term of the employment, the Company's option to renew and the method of renewal and the remuneration. Regarding the remuneration, any such employment agreement shall state that the salary of the CEO is reviewed annually by the Board of Directors.

The notice period for the termination of the employment contract between the Company and the CEO shall be stated therein and it must be at least 3 months. The Company may alternatively reserve the right to request the CEO to resign from the position with immediate effect prior to the end of the aforesaid period notice.

The CEO maintains the right to salary and other benefits, as applied, during the notice period.

If the employment agreement is terminated by the Company, the CEO shall receive a severance pay, equivalent to 100% of the fixed salary at the date of termination, for three months after the expiry of the notice period. A deduction will be made from the severance pay for the full amount of income or renumeration (including, but not limited to, success fees, commission, income from offices and assignments) that the CEO receives or acquires from the Company or others during the period the severance pay is paid.

In case of material breach of the employment agreement, the CEO is not entitled to payment during the notice period nor severance pay.

2.6 Claw-back Term

Certain compensation awarded under this Remuneration Policy is subject to claw-back in the event that the Company is required to prepare an accounting restatement due to material non-compliance with any financial reporting requirements. This clause covers incentive-based compensation (including without limitation cash, securities or otherwise), that is granted earned or vested wholly or in part to the CEO upon the attainment of financial reporting measures that are determined and presented in accordance with accounting principles used in preparing the Company's financial statements, and all other measures that are derived wholly or in part from such measures ("Incentive-Based Compensation"). In such a case, when Incentive-Based Compensation is subject to claw-back, the Company shall be entitled to recover a portion of, or all of, any Incentive-Based Compensation provided to the CEO. The recovery in such a case will be the difference between the Incentive-Based Compensation received and the amount that would have been received applying the restated financial reporting measure. In the event of a significant misconduct that causes material financial, operational or reputational harm, the Company may, at its discretion, recover a portion of, or all of, any Incentive-Based Compensation provided to the CEO. This clause covering the claw-back of Incentive-Based Compensation is intended to comply with the laws, rules and regulations applicable to the Company and may be amended from time to time to solely comply with the listing standards of the national securities exchange or association on which the Company's securities are listed, currently the New York Stock Exchange, or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended, the Securities Exchange Act of 1934, as amended, and rules promulgated thereunder by the U.S. Securities Exchange Commission or any other applicable law. The claw-back policy is publicly available on the Company's website at https://www.frontlineplc.cy.

3. Miscellaneous

3.1. Policy Approval and Publication

The Remuneration Committee shall ensure that the Policy is periodically and effectively reviewed.

The Policy must be presented at the meeting of the shareholders of the Company and be approved by them. The remuneration of the Directors is paid only in accordance with the policy approved by the shareholders.

The Policy shall be presented to the shareholders at least every four (4) years. In addition, every time there is a substantial change to the Policy, the Company shall present the Policy to the shareholders at a general meeting.

For all periods prior to which there was no approved Policy in place, the Company determined and paid the remuneration to the Directors, pursuant to the existing practices.

This Remuneration policy has been approved at a company's general meeting on [DATE] and together with the date and results of the vote of the shareholders at a general meeting, is published and remains available on the Company's website free of charge, at least as long as it remains valid.