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**SEMINAR NASIONAL INTERNAL AUDIT**  
**WHAT'S DRIVING CHANGE**  
 to Stay Ahead of The Curve  
 for Internal Auditors  
**in The Coming Years ?**

**3-4 DESEMBER 2025 | THE STONES HOTEL, BALI**



Logos of partner organizations: PLN mobile, PLN, PERTAMINA, and mandiri.





**SOE In Transition:**  
*Benchmarking of Governance, Risk, and Strategy for National  
Competitiveness*

**4 December 2025**

**Dipersiapkan oleh: Nawal Nely**

# Tentang Pembicara



## **Kualifikasi Profesional:**

- ▶ CFA Charter Holder
- ▶ INSEAD graduate
- ▶ Sarjana Akuntansi Universitas Gadjah Mada

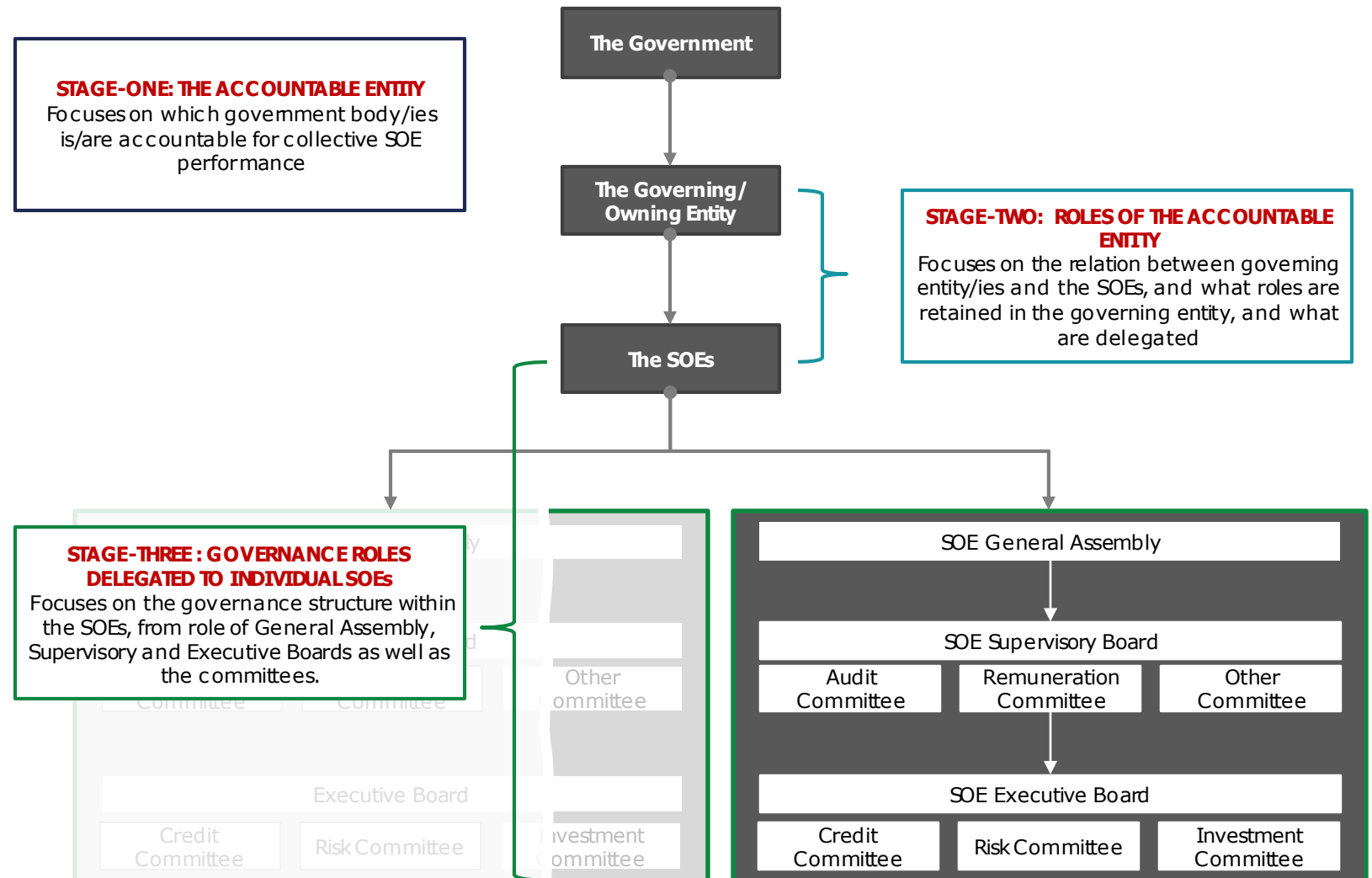
## **Credentials:**

- ▶ Managing Director Alvarez & Marsal Restrukturisasi dan Keuangan 2025 – sekarang;
- ▶ Deputy Bidang Keuangan dan Manajemen Risiko Kementerian BUMN periode 2020 – 2024;
- ▶ Board member for Bank Mandiri (2020 – 2024) and PLN (2024)
- ▶ Partner with EY Indonesia dan beberapa jurisdiksi EY lainnya sejak 2002 sampai dengan 2020;
- ▶ Konsultan pada BCG tahun 2000-2002;
- ▶ Analis Ekuitas pada Indosuez W.I. Carr Securities dari 1997 sampai dengan 2000;
- ▶ Manager Citibank NA Jakarta 1996 – 1997.

# SOE Governance Context: Three layers of governance structure

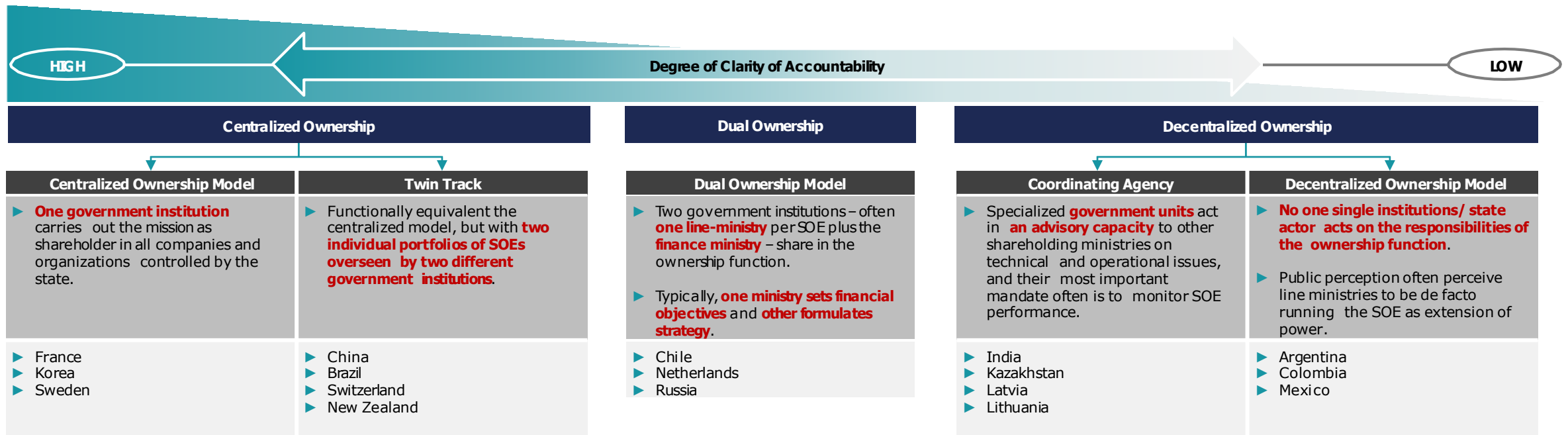
When we talk about SOE governance and performance management, essentially, we are talking about three layers of governance from a) **deciding on the accountable** entity, to b) **deciding roles of the accountable entity**, and c) **governance roles delegated to the individual SOEs**

- ▶ The adjacent diagram depicts the three governing entities of a typical SOE company.
- ▶ At the very top, governance starts with deciding **who** or **which ministry/ies** is/are accountable for **the collective performance** of the SOEs as a portfolio.
- ▶ The second layer of governance attempt to answers **what roles should the governing entity hold** to monitor the performance of the SOEs as a portfolio, what needs to be done by the governing entity including reporting and transparency, and what are the authorities provided to the governing entity as a whole in managing and monitoring the performance of the SOEs as a portfolio.
- ▶ The third layer of governance delves deeper into the SOEs themselves and **what are the instruments and organs that needs to be maintained by the SOEs to undertake the governance role.**



# Globally, there are three major ownership structures of SOEs, namely Decentralized, Dual and Centralized Ownership structures

- ▶ In this stage, the alternative ranges rests in **the spectrum of how many ministerial/ government entities are accountable for the collective SOE performance**. The range is from complete decentralization in which every ministry has its respective SOE, to the centralized ownership model spectrum in which only one government ministry is accountable for the performance of each SOE. The ranges in detail are follows:
  - **Decentralized Ownership (including decentralized with coordinating agency that assumes “advisory” roles)** in this setting, the government body responsible for SOE performance are multiple technical ministries and there is no single ministry is responsible for SOE performance
  - **Dual Ownership** in this setting, the government appoints two ministries to coordinate the ownership, one ministry typically overlooks on the financial and fiscal aspects, and another typically accountable for the technical and operational aspects of the governance;
  - **Centralized Ownership (be it twin-track of single)** only one government institution is accountable for the performance of SOEs, and this role include centralization authority of setting up financial, operational and strategic targets as well as monitoring of SOE performance. The twin-track model allows for multiple SOE portfolios, but for each SOE portfolio, only one ministry is accountable for the respective portfolio performance.



## Governance Structure & Tools

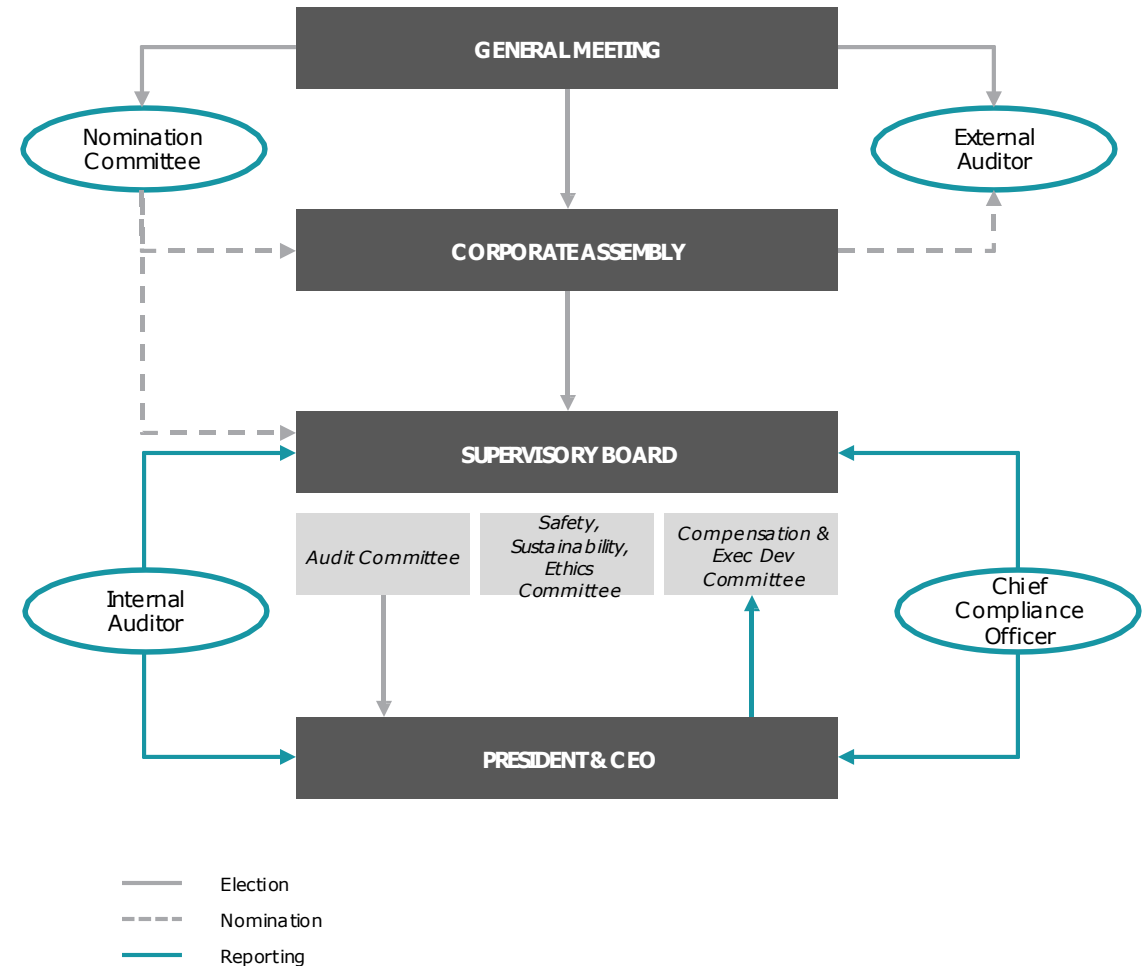
The governing bodies of Equinor rests in the following four main group of institutions:

- ▶ **General Meeting**
- ▶ **Corporate Assembly:** Is a unique governance aspect in Norway, in which it is a representation of the employee. The principal tasks of the assembly consist of board elections and, following a recommendation from the board of directors, to resolve on matters regarding significant investments in relation to the company's resources, and any rationalisation or alteration of the company's operations that may cause extensive changes or a reallocation of the company's workforce. The Public Companies Act does, however, allow a company to agree with a majority of its employees (or unions representing two-thirds of the employees) that a corporate assembly should not be established in exchange for extended employee representation on the company's board of directors (see below). It is common practice to enter into such agreements.
- ▶ **Supervisory Board:** This represent the supervisory board for the BOD, and is responsible for monitoring performance of the executive board lead by the CEO.
- ▶ **President and CEO:** Responsible for developing strategy and execution of the strategy on the board.

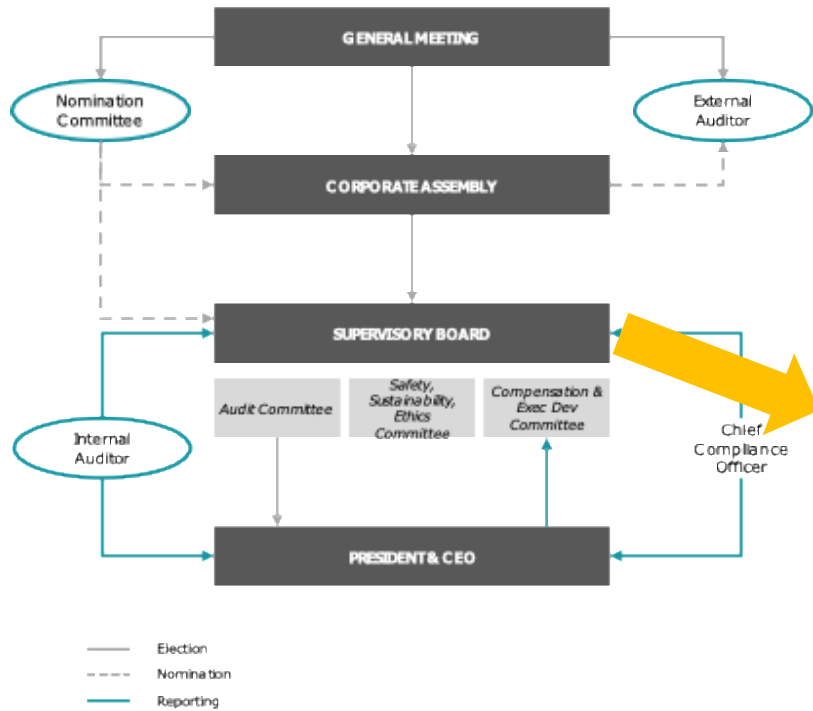
## Shareholders Composition



## Governance Structure & Tools



# Composition of the Supervisory Board of Equinor (2 of 4)



28 1.7 Governance and risk management

## Board of directors



**Jon Erik Reinhardsen**

Chair of the Board and of the Board's Compensation and Executive Development Committee.

[Read Jon Erik's CV](#) →



**Anne Drinkwater**

Deputy chair of the Board, chair of the Board's Audit Committee and member of the Board's Safety, Sustainability and Ethics Committee.

[Read Anne's CV](#) →



**Jonathan Lewis**

Member of the Board, chair of the Board's Safety, Sustainability and Ethics Committee and member of the Board's Audit Committee.

[Read Jonathan's CV](#) →



**Finn Bjørn Ruyter**

Member of the Board, the Board's Audit Committee and the Board's Compensation and Executive Development Committee.

[Read Finn Bjørn's CV](#) →



**Haakon Bruun-Hanssen**

Member of the Board, the Board's Audit Committee and the Board's Safety, Sustainability and Ethics Committee.

[Read Haakon's CV](#) →



**Mikael Karlsson**

Member of the Board, the Board's Compensation and Executive Development Committee and the Board's Safety, Sustainability and Ethics Committee.

[Read Mikael's CV](#) →



**Fernanda Lopes Larsen**

Member of the Board and the Board's Safety, Sustainability and Ethics Committee.

[Read Fernanda's CV](#) →



**Tone Hegland Bachke**

Member of the Board and the Board's Compensation and Executive Development Committee.

[Read Tone's CV](#) →



**Stig Læg Reid**

Employee-elected member of the Board and member of the Safety, Sustainability and Ethics Committee.

[Read Stig's CV](#) →



**Per Martin Labråten**

Employee-elected member of the Board, member of the Board's Safety, Sustainability and Ethics Committee and member of the Board's Compensation and Executive Development Committee.

[Read Per Martin's CV](#) →

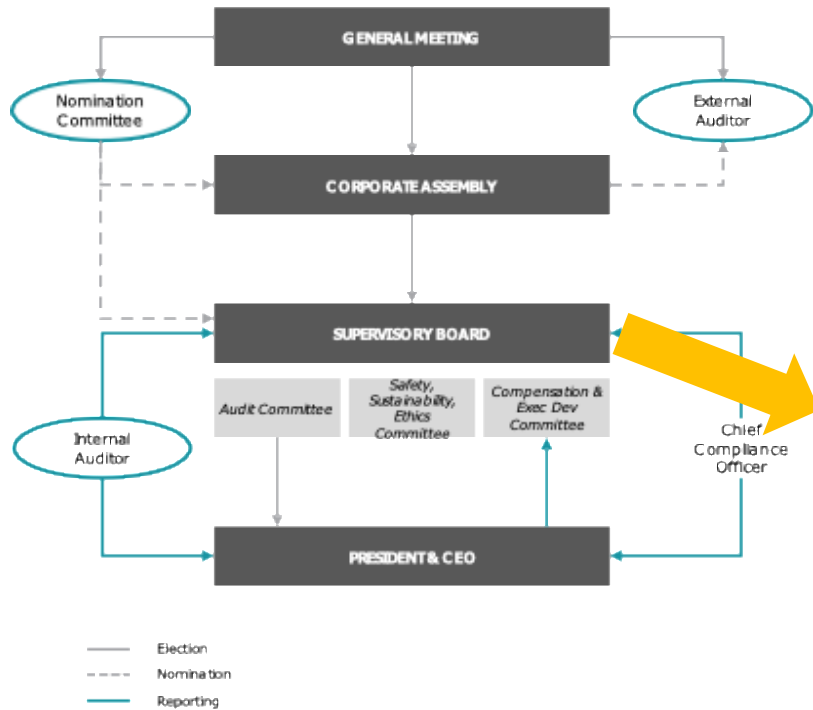


**Hilde Møllerstad**

Employee-elected member of the Board and member of the Board's Audit Committee.

[Read Hilde's CV](#) →

Equinor 2024 Annual report



## 2 Remuneration of the corporate assembly and board of directors

### Corporate assembly

The remuneration to the corporate assembly is resolved annually by the AGM, after proposal to the general meeting from the nomination committee. The proposal from the nomination committee is included in the notice of AGM.

The members of the corporate assembly receive an annual fixed remuneration, except for deputy members who receive remuneration per meeting attended.

Separate rates are set for the chair, deputy chair and other members of the corporate assembly. The employee-elected members of the corporate assembly receive the same remuneration as the shareholder-elected members.

The members of the corporate assembly receive travel reimbursement for each meeting attended.

### Board of directors

The remuneration of the board of directors is, in accordance with the Norwegian Public Limited Liability Companies Act, decided by the corporate assembly annually, following a recommendation from the nomination committee. The decision of the corporate assembly will be made public on equinor.com on the same date and the remuneration of the board members is also disclosed in the remuneration report for the relevant reporting year.

The board members generally receive an annual fixed fee. Deputy members, who are only elected for employee-elected board members, receive remuneration per meeting attended.

Separate rates are set for the chair, deputy chair and the other members of the board of directors.

Separate rates are also adopted for the board's committees, with similar differentiation between the chair and the other members of each committee.

The employee-elected members of the board receive the same remuneration as the shareholder-elected members. The board receives its remuneration in cash.

Board members from Europe but outside Scandinavia or from outside Europe, respectively, receive separate travel allowances for each meeting attended.

Remuneration for board members is not linked to performance and board members do not receive any shares or share options etc. as part of their remuneration. However, members of the board of directors are encouraged by the nomination committee to own shares in the company.

Employee-elected board members may participate in variable pay, pension and benefit programs according to the provisions in place in their employing entity and grade in line with programmes available to other employees. Any such variable pay is not related to their position as board members.

None of the shareholder-elected board members have a pension scheme or agreement concerning pay after termination of their office with the company.

If shareholder-elected members of the board and/or companies they are associated with take on specific assignments for Equinor, this will be disclosed to the full board and follow the requirements as set out in the rules of procedure for the board of directors of Equinor ASA.

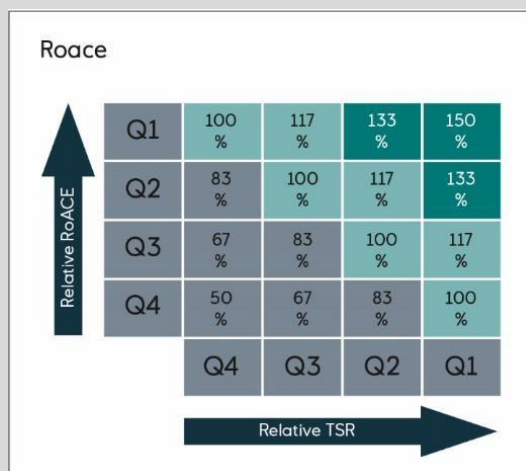
# Compensation Philosophy of the Executive Board (4 of 4)

## Structure of the Pay

Equinor performance will be assessed against two equally weighted measures:

- ▶ Relative total shareholder returns (TSR), and
- ▶ Return on Average Capital Employed (ROACE).

The result of these two performance measures are compared to peers (defined by comp nominee), and determines Equinor's relative position. A position of Quartile 1 means Equinor is amongst the top scoring quartile. The percentage indicates % of which reflects a pay modifier or multiplier for variable pay. This multiplier is applied as a multiplier on top of the variable pay (specifically annual variable pay).



To be entitled for the the pay, there is a threshold that was set as follows in 2020:

1. Cash flow provided by operating activities after tax and before working capital items
2. Net debt ratio and development
3. Company's overall operational performance.

A threshold is determine to define entitlement, and the application is discretionary by the nominating committee.

## Typical Score Card for Executive Pay

Remuneration element	Objective	Award level	Performance criteria
<b>Base salary</b>	Attract and retain the right individuals by providing competitive but not market-leading terms.	We offer base salary levels which are aligned with and differentiated according to the individual's responsibility, performance and contribution to company's goals. The level is competitive in the markets in which we operate.	The base salary is normally subject to annual review based on an evaluation of the individual's performance and contribution to the company's goals.
<b>Fixed salary addition</b>	The fixed salary addition is paid in lieu of pension accrual above 12G, applied as a supplementing fixed remuneration element to be competitive in the market.	Members of the corporate executive committee employed by Equinor ASA, that have taken up their first position in the CEC after 13 February 2015, receive a fixed salary addition in lieu of pension accrual above 12G <sup>9</sup> with reference to the section on pension and insurance scheme.	No performance criteria are linked to the fixed salary addition. The fixed salary addition is not pensionable and does not form basis for variable pay.
<b>Annual variable pay</b>	Encourage our pay for performance culture and individual's contribution to the company's business strategy. Rewarding individuals for annual achievement of business objectives, both the "What" and the "How".	Members of the corporate executive committee employed by Equinor ASA are entitled to annual variable pay ranging from 0 – 50% of their base salary. Target <sup>10</sup> value is 25%. For members of the CEC employed outside the Norwegian market, see section below on remuneration policy for international executives. The threshold principles and the company performance modifier are applied (see explanations below). The company reserves the right to recover all or part of the annual bonus, if performance data is subsequently proven to be misstated.	Performance is measured over one financial year and is based on the achievement of annual performance goals ("How" and "What" to deliver), in order to create long-term and sustainable shareholder value. Assessment of goals defined in the individual's performance contract including objectives related to selected KPI's on the balanced scorecard constitute the basis for annual variable pay.
<b>Long-term incentive (LTI)</b>	Strengthen the alignment of top management and shareholders' long-term interests and sustainability of the company. Retention of key executives.	For members of the corporate executive committee employed by Equinor ASA, the LTI is calculated as a portion of the participant's base salary. On behalf of the participant, the company acquires shares equivalent to the net annual grant amount. The shares are subject to a three-year lock-in period and then released for the participant's disposal. If the lock-in obligations are not fulfilled, the executive has to pay back the gross value of the locked-in shares limited to the gross value of the grant amount.  The level of the annual LTI reward for the CEC members employed by Equinor ASA is in the range of 25-30% of the base salary. For members of the CEC employed outside the Norwegian market, see section below on remuneration policy for international executives.  The threshold principles are applied to the annual grant. The company performance modifier is not applied to the LTI in Equinor ASA.	In Equinor ASA, LTI participation and grant level are reflective of the level and impact of the position and company performance as reflected by the threshold.
<b>Pension &amp; insurance schemes</b>	Provide competitive postemployment and other benefits.	The company offers a general occupational pension plan and insurance scheme aligned with local markets. Reference is made to the section on pension and insurance scheme.	N/A
<b>Employee share savings plan</b>	Align and strengthen employee and shareholders' interests and remunerate for long term commitment and value creation.	Eligibility extends to all employees at Equinor and in all markets, subject to local legislation. Participants can purchase shares up to 5% of base salary.	If shares are held for two full calendar years subject to continued employment, the participants will be allocated bonus shares proportionate to their purchase.